



Recovering Energy from Waste

Board Meeting Minutes

Friday 4th February 2022
09.30 am via Video Conference

Present: R Gray (Chairman)
K Starkey
C Penson
P Johnson
B Hastie

Minute Taker S Kaur

	Action
<p>1. Minutes of Previous Meeting The minutes of the previous meeting on 8th November 2021 and 6th December 2021 were agreed and all actions has been completed with the exception of the item below. Ms Kaur to send copies to Mr Gray following the meeting for him to print and sign and send scanned copies to the Company for filing.</p> <p>The action from the November minutes requesting that Mr Penson and Mr Starkey should seek a three year long term agreement from FM Global for the 2022/23 property insurance renewal was ongoing.</p>	<p>Mr Gray</p> <p>Mr Penson Mr Starkey</p>
<p>2. Matters Arising Previous meeting actions discussed with no matters arising.</p>	
<p>3. Environment, Health & Safety Report Mr Starkey began his report by referring to the trend charts for injury frequency rate and he gave a summary of injuries by type.</p> <p>There were no injuries since the last Board meeting. There were no abnormal operations, environment permit breaches, environmental incidents or emissions issues. There was one incident raised following an EA site audit on the HWRC where minor administrative errors were found relating to the metals recycling off-taker's paperwork.</p>	

Meetings continue to discuss the recent changes in the Best Available Technique Reference Documents (BREF) at the Environmental Services Association (ESA).

The Environment Agency has now issued the regulation 61 notice initiating the review of the Company's permit and Mrs Price will be the member of staff responsible for the project.

Mr Starkey concluded his report by referring to the 2021 improvement programme. Item 3 target date to be changed to December 2024, as it is a project with a 3 year duration. Items 8 and 9 have been carried forward from last year's programme and the due dates are to be updated with the revised expected dates. All other projects were on target to be completed within the designated timescales.

Mr Starkey

4. Commercial Report

Mr Starkey updated the meeting on the current status of issues relating to certain waste contracts.

Mr Starkey reported that the Coventry City Council waste collection strikes are affecting waste inputs, making deliveries uncertain and more difficult to manage. Coventry's inputs have been extremely variable due to the strike. In the final week of January they delivered █████ tonnes (a normal week is █████ tonnes).

5. Company Performance Report

Mr Starkey presented the plant performance for the nine months ended 26th December.

The waste throughput is 5% ahead of budget and 8% lower than last year. A and B Shareholder waste throughput was 13% lower than budget and 4% lower than last year. C Shareholder waste throughput was 1% higher than budget and 8% lower than last year. Non-shareholder waste throughput was ahead of budget of zero tonnes and 23% lower than last year.

A and B Shareholder waste accounted for 44% of total throughput compared with 42% in the same period last year. A,B and C Shareholder waste accounted for 89% of total throughput compared with 86% in the same period last year.

Plant availability was 84% compared with a budget of 82% and a prior year performance of 93%. The waste crane replacement projects was undertaken in October and this explains the significantly reduced availability compared to prior year. Average waste throughput per unit hour was █████ tonnes compared with a budget of █████ tonnes and a prior year performance of █████ tonnes.

Electricity export was 5% higher than budget and 10% lower than last year

due to the lower throughput resulting from the total plan shut down for the waste crane replacement.

Mr Johnson asked why the reported availability for G2 was much better than budget. It was explained that unlike for the combustion units, where availability is a measure of whether the unit is available for service, for the generators availability is a measure of whether the machine was running and downtime is a combination of maintenance downtime and unavailability of steam. G1 is running most of the time due to its higher capacity and was budgeted to have a high level of availability, whilst G2 is budgeted to be offline whenever units are scheduled for maintenance and consequently as combustion unit availability has been better than budget so this generator's availability has also been better than budget. It was agreed that more detail would be provided on generator availability in the future where appropriate.

Mr Starkey

Mr Penson reported to the Board on the Company's financial performance. The profit before tax and pension provision for the nine months is £8,196k which is £2,664k ahead of budget but £2,845k behind last year.

This is partly due to higher revenues, arising from higher availability, increased throughput and a more favourable sales mix. It is also due to lower total EfW costs, which are £457k below budget. There have been cost savings compared to the budget in most categories, notably maintenance, administration and depreciation.

Mr Penson reported that though total costs were below budget, significant cost increases have been incurred recently with regards to consumables, particularly Ammonia.

Mr Penson presented a revised forecast for the year ending 31st March 2022. The forecast profit before interest, pensions and tax was £11.1m compared with a budget of £8.6m.

The year-end cash position is forecast to be £11.2m, compared with a budgeted figure of £9.4m, due mainly to a better than budgeted opening position and better forecast trading.

6. Review of Risk Register

Mr Starkey and Mr Penson updated the Board on the items listed in the Business Risk Register, which were discussed and approved.

7. Carbon Balance Report

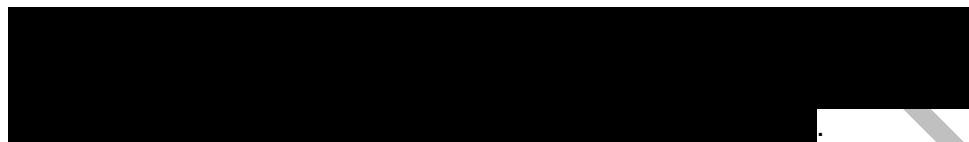
Mr Starkey presented the Board with the Carbon Balance report, which was discussed and noted.

It was requested that Mr Starkey should develop a Carbon Strategy for consideration by the Board.

Mr Starkey

8. Any other Business

Mr Penson updated the Board regarding the potential increases in price for shareholders under their respective SLAs at the start of the forthcoming financial year.



Mr Penson highlighted to the Board that due to the budgeted increase in turnover in the forthcoming financial year it was likely that additional reporting would be required of the Company as follows:

- s. 172 disclosures
- Statement on business relationships
- Streamlined energy and carbon reporting
- Modern slavery reporting

Mr Penson referred to the dividend timetable which had recently been circulated to Board members.

Dates of next meetings

The dates of the next meetings were confirmed as:

Management Review Meeting Monday 14th March 2022 commencing at 10.00am. Method of meeting TBA

Board Meeting Tuesday 3rd May 2022 commencing at 2.00pm. Method of meeting TBA

Shareholder Panel Meeting Wednesday 22nd June 2022 commencing at 4.00pm. Method of meeting TBA

There being no further business, the Chairman closed the meeting at 10.40am.

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Chairman