



Board Meeting Minutes

Monday 8th July 2024
10.30 at the Registered Office

Present: R Gray (Chairman)
 B Hastie
 A Felton
 K Starkey
 C Penson

In attendance: L McNeil and P Bendell - EY (agenda item 1)
 S Kaur - Minute Taker

	Action
<p>1. Statutory Accounts for Year Ended 31st March 2024</p> <ul style="list-style-type: none"> • Going Concern Report • Auditor’s Report to the Board by EY • Representation Letters to EY • Approval of Financial Statements <p>Ms McNeil, senior statutory auditor for EY and Mr Bendell, EY placement student, were invited by the Chairman to join the meeting.</p> <p>The Board considered the report on going concern submitted by Mr Penson, which was split into two sections. The first considered going concern on the basis of normal operation, assuming that a major disruptive event does not have any material impact on the operations of the Company. The second considers the potential impact of a major disruptive event.</p> <p>It was agreed that no material uncertainties that may cast doubt upon the ability of the Company to continue as a going concern have been identified by the Directors.</p> <p>Ms McNeil then presented the auditor’s report summarising the audit of the Company’s financial statements for the year ended 31st March 2024 and she gave an overview of the financial performance of the Company.</p> <p>Ms McNeil further updated the Board on issues arising from the audit, in</p>	

<p>particular the treatments of defined benefit pension scheme, the ongoing insurance claim and the electricity generator levy. She confirmed that EY considered themselves to be independent (with the Board stating their agreement), that they agreed that the accounts could be drawn up on a going concern basis and that an unqualified audit opinion would be included in the financial statements.</p> <p>Ms McNeil drew the Board's attention to the letters of representation. The letter was signed by Mr Penson and Mr Starkey and Mr Penson confirmed that he would send a scanned copy to Ms McNeil following the meeting with the original being retained by the Company.</p> <p>The financial statements for the year ended 31st March 2024 were considered and approved by the Board. The financial statements were signed by Mr Starkey and Mr Penson on behalf of the Company and by Ms McNeil would sign them on behalf of EY. Mr Penson confirmed that he would send a scanned copies to Ms McNeil following the meeting.</p> <p>On behalf of the Board, Mr Gray thanked Ms McNeil's team for their hard work during the audit.</p> <p>Ms McNeil and Mr Bendell then left the meeting.</p>	<p>Mr Penson</p> <p>Mr Penson</p>
<p>2. Minutes of Previous Meeting The minutes of the previous meeting on 23th May 2024 were agreed and signed</p>	
<p>3. Matters Arising <i>IT equipment lead times</i> Mr Penson confirmed that the typical lead time for IT equipment was up to three weeks, but also noted that a review of the Company's IT disaster recovery plans showed that there were plans in place which should significantly reduce the impact of such delays in the event of a loss of equipment.</p>	
<p>4. 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 was one injury reported in April involving a member of staff who fainted briefly during a medical spirometry test. This incident is being followed up with Wellness International. There were no injuries reported in May or June.</p> <p>There were no breaches of permitted emission limit values (ELVs), environmental incidents reported, abnormal operations or environmental complaints received in April, May or June 2024.</p>	

Mr Starkey concluded his report by referring to the 2024 improvement programme. All projects were on target to be completed within the designated timescales.

5. Commercial Report

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

[Redacted]

Mr Starkey

[Redacted]

Mr Starkey/
Mr Penson

6. Company Performance Report

Mr Starkey gave an update to the Board with regard to the G1 repair works

[Redacted]

[Redacted]

[Redacted]

Mr Penson updated the Board on the financial impact of the claim.

[Redacted]

[Redacted]

Mr Starkey presented the plant performance for the first two months ended 26th May 2024.

The waste throughput is 10% higher than budget and 23% ahead of last year. A and B Shareholder waste throughput was 9% lower than budget and 6% higher than last year. C Shareholder waste throughput was 2% higher than budget and 23% higher than last year. Non-shareholder waste throughput was 193% ahead of budget and 90% higher than last year.

A and B Shareholder waste accounted for 39% of total throughput compared with 45% in the same period last year. A,B and C Shareholder waste accounted for 81% of total throughput compared with 88% in the same period last year.

Plant availability was 94% compared with a budget of 90% and a prior year performance of 89%. The average waste throughput per unit hour was [REDACTED] tonnes compared with a budget of [REDACTED] tonnes and a prior year performance of [REDACTED] tonnes.

Electricity export was 4% higher than budget and 82% behind last year due to the G1 loss.

Mr Penson reported to the Board on the Company's financial performance. The profit before tax and pension provision for the first 2 months was £2,041k which was £960k ahead of budget although £1,851k behind last year due to the G1 loss.

Revenues were £545k higher than budget due to better than budget performance due principally to lower than budgeted A and B shareholder waste sales which were more than offset by higher C shareholder and other waste sales at higher prices.

Mr Penson reported that total EfW costs were £433k lower than budget. There have been significant cost savings in operations, maintenance and utilities.

Mr Penson presented a revised forecast for the year ending 31st March 2025. The forecast profit before interest, pensions and tax is £14.1m compared with a budget of £10.2m. The year-end cash position is forecast to be £19.2m, compared with a budgeted figure of £12.9m. The opening cash position was £3m better than budget and the higher than planned operating profit is only partially offset by the higher corporation tax and electricity generator levy paid as a result of the higher current and prior year profits.

7. Review of Risk Register

Mr Starkey updated the Board on the latest position regarding the Emissions Trading Scheme (ETS) and the Company's proposed approach to dealing with the potential cost of it.

<p>Mr Felton asked if bed debt risk should be included on the register and Mr Starkey stated that this would be considered for the next report.</p>	<p>Mr Starkey</p>
<p>Mr Starkey and Mr Penson updated the Board on the other items listed in the Business Risk Register which were discussed and approved.</p>	
<p>8. Modern Slavery and Human Trafficking Statement Mr Penson presented the Modern Slavery and Human Trafficking Statement which was approved by the Board. Mr Penson will arrange for it to be uploaded to the Company's website.</p>	<p>Mr Penson</p>
<p>9. Register of Directors' Interests Mr Penson presented the Register of Directors' Interests which was approved by the Board as an accurate record.</p>	
<p>10. Contracts for Board Authorisation Mr Starkey presented the Board Contract Authorisation Record which was considered and noted by the Board.</p>	
<p>11. Any Other Business Engineering Manager Mr Starkey confirmed that Stuart Barnett has been appointed as Engineering Manager. He has started to work alongside Ben Millard until he fully transitions into the role in October 2024.</p>	

Dates of next meetings

The dates of the next meetings were confirmed as:

Management Review Meeting Monday 7th October 2024 commencing at 10.00 via Teams

Board Meeting Monday 4th November 2024 commencing at 10.00 at the Registered Office

Shareholder Panel Meeting Wednesday 29th January 2025 commencing at 16.00 via Teams

There being no further business, the Chairman closed the meeting at 12.15.

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Chairman