



BOARD MEETING MINUTES

Board Meeting: Board Meeting #040 Covering July to Mid-Sept 2020

Participants: **Elected Directors**
Sheila Clark – Chair
Andrew Swann – Treasurer
Peter Thomas – Operations
Carol Thomas – Projects & Finance
Chrissie Sugden – Bookkeeper
Michael Odumosu
Adrian Shaw
DIG Appointed Directors
Cath Auty
Irene McClounnan

Meeting Date & Time: 15th September, 7:30 PM

Location: Zoom Meeting

AGENDA

- 1) Apologies
Sam Marshall
- 2) Approval of previous minutes
 - a. #039 – July Board Meeting
Cathy Auty Proposed and Irene McClounnan Seconded the minutes.
- 3) Matters Arising from Previous Meetings
 - a. Carol to update share application form with BACS details, end of month.
Decided to add the BACS details to the acknowledgment of the share application and not the share application itself. This has been done.

b. Carol to amend Precis of Foundation Scotland Document.
This has been completed.

c. Carol/Andrew: Update on long term management of share repayment

There is an incentive to use surplus cash to repay our loan but if we repay the loan early there isn't an offset for tax purposes; the quicker we repay the loan the more tax we have to pay. Andrew can do a cash flow analysis going forward to see what the implications are for tax. Without doing the full analysis it makes sense to pay off the loan as we are paying 7% interest and we only have to pay 4% to shareholders. So, we should repay the debt before we repay the shares and we can use any money that comes in from shares to repay the debt. We also probably want to repay an additional £13K per year of the debt and try to pay another £50K towards the debt as soon as we can before we come up with a figure for distribution this year. Until we have the full cash analysis we can't make a decision on this, aside from ringfencing money for death of shareholders. Action: Carol to chase Armstrong Watson to get the tax analysis from them, so Andrew can do the cash flow analysis.

d. What protection do FS have for our funds? Action: to ask that specific question to Tom.

FS have everything ringfenced within each of the 63 funds they manage. FS spread the money they manage around as many banks as is sensible.

4) Board Decisions Made by Email

a. Increased payment to FS

This was documented in the July minutes and no other decisions made via email.

5) Communications since last meeting

a. CINK re Servicing and operational problems

b. Share nomination in case of death request

c. SIS re reports and Loan

d. Forestry re Lease Payments

e. Johnny Bell re various queries

f. Leasehold Tax

g. Dave Hollings re CBF and our rules

h. FiT Data request

6) Chair's Report

a. CBF summary

Worked through a strategy document in two meetings with Irene (DIG), Sheila (AED), Carol and Tom Black (FS). Another meeting scheduled to finish things up.

Agnes Fleming resigned as Chair of DIG in July and Irene McClounnan has taken her place as temporary Chair of DIG. We need to consider who will replace Agnes on the AED Board, this can be anyone appointed by DIG. Now majority vote on AED Board is six people.

Libby Foy's resignation can be addressed at the next AED AGM as new elected board members are chosen by the shareholders.

7) Company Secretary Report

a. New Share purchases

£27K in new shares since last meeting. We are happy to receive shares as we will use the money to pay off the debt.

b. Share Interest Payment reporting

See matters arising. Andrew to go through this at next Board meeting.

c. Share Transfer in Case of Death

Shares cannot be sold or gifted but they can be transferred to someone else in case of death, which removes the pressure of AED paying money out on death. Shall we create a nomination form for shareholders to transfer their shares on death? This can be highlighted at the next AGM. Agreed by Board members.

d. We renewed the ICO registration for GDPR compliance for £35.

8) Finance Report

a. Bank Balance

£258,718.76

b. Land & Building Transaction Tax (LBBT)

Every three years we will have to fill out this return. We will have to provide Johnny with how much we have paid in forestry lease payments and how much we think we will pay out by the end of the lease. We probably won't have to pay any additional tax. We need to diarise it as they don't send reminders and it has to be done every 3 years.

Question for future

We need a policy to say when we take money out of the sinking fund as we put in £13K per annum but we may not always use it. If we put this aside each year, we will have enough to replace a turbine in the future. We need to identify what gets paid from the sinking fund as opposed to what are standard operational costs. If we get a bill over £10K we consider it comes from sinking fund not normal operating costs, but will review it on a case by case basis.

9) Community Benefit Fund

a. Progress report

AED rules, strategy and terms of reference between FS and AED were discussed in the meetings. AED rules say that the money has to benefit the local community, therefore DIG cannot use funds from AED to donate money to other charities in UK or abroad. Carol circulated a rule change proposal. We can hold an EGM with shareholders to get approval for the rules change. Sheila Clark proposed and Peter Thomas seconded the proposal and all the board agreed to the proposed rule changes. The EGM will be arranged at a later date.

10) Operational Report

a. ANM Update

ANM is now completely offline. We will purchase new batteries when we need to use the UPS in the ANM.

b. Generation Data

July: 183,111 KwH which was 246% of budget, August: 103,655 113% of budget, September: 69,817 KwH so we should hit budget this month.

c. Maintenance and repairs

We lost 29 hours of output. We lose approximately £800/day when plant down, so we need to minimise down times. We're lucky as we have good support from CINK and they fixed the problem quickly. Service was done and we have a report. Concrete round the base of generator has cracked slightly, so we needed to rebalance the generator again. One of the grease guns had run out of grease but there is no damage to the bearings. Proposing that the Ops team will replace grease cartridges before every annual service.

River is at unusually high levels and the intake was blocked with leaves so the hydro stopped. We cleared the screens so it's running again but we will be turning it off twice a week so we can clear the leaves. AED will purchase some safety equipment to augment the safety equipment that Peter has been using. Sheila proposed that she will check with British Waterways to find out what kind of safety equipment they use so it is health and safety compliant. Irene seconded proposal.

d. Old Power House

Nothing has been done. This will be carried over to the next meeting.

Adrian Shaw left the meeting at 9:10PM

- 11) Any other business – None
- 12) 17th November 2020, 7:30PM

Minutes approved at Board Meeting #041 on 17th November 2020.



Signed by Sheila Clark

KEY DATES / ACTIVITIES

Month	Item	Area	Notes
January	Annual SEPA abstraction report	Operations	Starts 2019
February	Quarterly Reports due to SIS	Finance	Starts 2018
April	Insurance Renewal Due	Admin	Needs investigating March
April/May	AGM	Legal	Started 2017
April/May	Turbine Servicing & Operator Re-training	OPs	Started 2019
May	Quarterly Reports due to SIS	Finance	Started 2018
May	FES Gross income report	Finance	Started 2018
May	SEPA Renewal Due	Finance	Started 2018
May/June	Pigging Due	Ops	
June	FES rent payment	Finance	Started 2018
June	Year End Accounts due to FCA	Finance	Started 2017
June	Shareholder & Director report due to FCA	Legal	Started 2016
July	Shareholder Interest Payments Due	Finance	Started 2019
August	Quarterly Reports due to SIS	Finance	Starts 2018
August	LBTT Statement due every 3 years	Finance/Legal	Starts 2020
November	Financial Year End	Finance	Started 2016
December	New Operating Budget due to SIS	Finance	Starts 2017

13/02/23	Full electrical installation check required.	Operations	
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