

BOARD MEETING MINUTES

Date: Board Meeting #069

Present: Sheila Clark, Chair
Sam Marshall, Company Secretary
Peter Thomas, Operations Director
Carol Thomas, Hydro Project Manager
Patrick Marshall.
David Wilkinson.

Pam Stansbury, Administrator

Apologies: Andrew Swann, Finance Director
Cath Auty, DIG nominated Director

Meeting Details: Date Tuesday 15th October 2024 at 7:30pm
This meeting was conducted via Zoom and was recorded

MINUTES of the 69th Meeting of the Board of Directors

The meeting opened at 7:36pm.

1) Apologies for Absence.

Apologies for absence had been received from Andrew Swann. Apologies had also been received from Cath Auty, who had to attend a school meeting.

2) Conflicts of Interest.

There were no changes to the conflicts of interest. (see addendum 1)

3) Approval of Minutes.

- a. **Minutes of the Meeting held 25th June 2024.** Prior to the meeting commencing, admin had apologized as the minutes of the June meeting had not yet been circulated to the board. It was agreed they would be circulated following the meeting. They will then be approved by email.

4) Matters Arising not covered by the agenda.

- a. **Interest Bearing Account.** Owing to pressures of time, Carol and Pam have yet to investigate the options on this matter. It was therefore carried forward.
- b. **Lease Resumption.** Carol advised that the lease resumption had yet to be issued. She is now dealing with Rebecca Fraser at Twin Deer Law who have spoken with Harper McLeod's. They have confirmed everything is finalized with them, and they are just waiting for confirmation from their client. Carol will continue to chase and will hopefully be able to advise the board of completion before the next meeting.

There were no other matters arising, that weren't covered under the agenda.

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5) Interim Board Decisions

a. 22/08/24 Company Secretary Training.

The board approved the Company Secretary training course and costs for Sam to attend.

b. 11/09/24 Application to withdraw shares.

The board approved the application from shareholder A109 to withdraw their holding.

6) Chair's report

Sheila had little to report on, primarily due to her internet and computer disruptions. Carol will report on the legal matters later, and Sam will update on the Company Secretary training during her report.

There was nothing further to add from the chair, who handed the meeting to Sam for her report.

7) Company Secretary's report

- a. **Shareholders.** Sam confirmed that the approval had been made by email for our shareholder to withdraw his shares. The shareholder had been contacted and advised that whilst his application to reinvest would be welcomed, the board could not guarantee the application would be successful due to the possibility that the Open share offer may have closed. The shareholder had confirmed his understanding, and had asked if his thanks could be given to the Board for the continued hard work they undertook.

Shareholder interest payments had all been made except for one, who was still being chased for confirmation of his bank details and preference. Total shareholding is now standing at £526,000.

- b. **Lease Resumption.** This had already been reviewed under Matters arising. There was nothing to add to Carol's earlier report.

- c. **Company Secretary Training.** Sam reported to the board on her attendance at the Company Secretary training provided by Co-operative Society.

The first part training had been sent to Sam as a video, as all places had been taken. This was a two-hour training, which Sam viewed with Pam. Sam was pleased to advise that throughout the training it had been apparent that AED had everything set up well, and was fulfilling most of the expected requirements.

The only issue our display of our Co-operative Society membership on our main place of work, or registered offices. A discussion took place which included the earlier board decision not to display anything on the outside of the Powerhouse. This was decided to protect the building and contents, taking into consideration the location and unmanned nature of the building.

After discussion it was agreed that the certificate would be added to the website, and displayed on the Old School, which is the registered office.

The other item Sam had felt worth mentioning was that Company Secretary could be a paid position, rather than being a shareholder. We do need to confirm with our own Articles of Association, and check with any difference between Co-operatives and Community Benefit Societies.

The course also raised Director's duties, compliance director evaluations etc. Sam had been delighted with the number of items we ticked under our normal operating practices. PowerPoint slides will be added to the Company drive for directors to access if they require.

Sam discussed the travel options for the second part of the course, which is an in-person training in Manchester. Having investigated the various options, Sam had concluded that the only option was to drive and stay overnight in Manchester prior to the meeting.

Sam will provide a report back to the board after the training.

Carol proposed approval to pay all travel and accommodation expenses. This was seconded by David and approved unanimously by the board.

There being nothing further to add, and no questions Sam handed the meeting back to the Chair.

8) Finance report

Chair handed the meeting to Carol. Andrew had issued a report to the directors prior to the meeting, which had been circulated along with the cashflow summary, the trial balance and the management report.

The financial year has gone well, with income, profit and cash balances all ahead of budget, Andrew expected to end the financial year in a positive position. Andrew had updated his cashflow summary considering the 22/23 year-end position, the current two-year energy contract, and low flow data. Income. The conclusions taken from that were broadly, that AED should be able to maintain £100,000 CBF payments through to 2038. That the SIS loan can be fully repaid by January 2029. The shareholder debt can be repaid over a five-year period to 2034.

Andrew raised some question for the board to consider on the long-term future of the Hydro scheme. After a lengthy discussion it was agreed that the board should continue to monitor this closely, in particular regarding our shareholders, future energy prices, and future management.

Pam advised the directors on a couple of items on the management report that needed addressing. However, considering Andrew's absence she proposed that she discuss these with Armstrong Watson prior to the final production of the year-end accounts and report to the Board at that point. This was agreed.

It was also agreed that admin would send a quarter management report to the board prior to each board meeting so they could look at the whole period between meetings in one report. The monthly reports will continue as normal.

This was the meeting was handed back to the chair, who handed the meeting to Peter for the operational report.

9) Operational report

Peter reported that the Ops team had expanded with the addition of Jamie and Wendy Akam, and Christopher Connolly. They had all undertaken the Cink training, which had then been followed up by doing some site work with. This included the need to double team on occasions, and to rope up whenever it was necessary to enter the water.

Despite the predominantly wet season, we had several dry months with relatively low rain fall. June, July and September were all below plan. August had happily been well above expectations, which means that we are currently running at 13.5% over plan with two months left.

Peter was quietly confident we would hit plan for the year end, November is traditionally a good month.

October had started slowly, with us now entering the time of year when the team would be busy clearing leaves to try and keep the hydro running as well as possible.

Operational expenses in September were higher than the previous year. However, this was still relatively low at £400, and the year-to-date expenditure was below budget.

Following a question from David, Peter confirmed that we do pay our Ops team, although he added that some of our team never claim for their time worked.

There being no further questions Sheila thanked Peter for his report and handed the meeting to Carol for the Community Benefit Fund.

10) Community Benefit Fund

Carol reported to the board that there had been a significant amount of work going on in the background and some money has been spent. Most of the expenditure to date has been small things.

As soon as the money is paid into Foundation Scotland DIG is notified of the amount available to them, which this year was £88,000 after the fee allocated to Foundation Scotland.

DIG Board then allocate funds to the various streams. This is normally allocated as 5% to the micro grant, 5% to the Education and Bursary Fund, and 10 to 15% to the Open-Source Fund. The balance is the allocated to the Strategic Fund.

Last meeting Carol reported that DIG had spent around £12,000. That spend has now increased to £30,000. In addition, funds have been ring-fenced for specific projects. £88,000 to cover the two-year contract with the community development officer, who came on board on 26th August, and £10,000 against EV charging points.

Substantial funds had now been drawn down to cover problems that need to be resolved to bring buildings and land management up to specification and expectations. This included circa £10,000 to repair electrical issues and provide an up-to-date EICR. Plumbing problems under the laundry and shower rooms had to be evaluated and repaired, the woodland areas DIG is now responsible for had to be evaluate and managed. Additionally, the stoves in the Community Hall have been condemned and need to be replaced, whilst the Social Club stove needs repair and moving.

Elle, the CDO, has been working hard on the Community Action Plan, investigating other funding options and establishing a relationship with the community members. Discussions are ongoing over the back road, jetty and decking, with investigation being made on Community housing.

Carol also advised that a third group may potentially start in the area. Whilst DIGS area may be small to support a third group, this particular one was being investigated to look at the problems with the private water supply. They were currently investigating options and had received a £300 micro-grant to allow professional advice to be sought. This team includes cabin owners and village residents as they are all shareholders in the water supply.

Finally, Carol advised that Elle would be working on and completing the Community Action plan late November or December. Following that the Cap publication the Fund Strategy will need to be rewritten. This is primarily driven by Foundation Scotland but does have to be signed off by both boards. Additionally, Foundation Scotland's three-year contract is coming up for renewal and will need to be agreed by the Board.

11) Communications

The communications list had been circulated to the board separately. There were no items needing to be discussed at the meeting.

12) Any Other Competent Business

The Board approved that a Christmas bonus for the operations team should be made as in the previous year. Peter was asked to organize the necessary, and put in for the relevant expenses.

13) Date & Time of next meeting(s)

The next meeting will be held on Tuesday 21st January. The meeting will be held on Zoom and will commence at 7:30pm.

The Chair thanked everyone for attending, wished them all Happy Christmas and closed the meeting at 9:23pm

Minutes approved at Board Meeting #070 on Tuesday 21st January 2025.

A handwritten signature in black ink, appearing to read "Sheila M. Clark", with a long, sweeping underline.

**Signed by Sheila Clark, Chair.
21st January 2025**