

Confidential

**DAVID MACBRAYNE LIMITED (“DML”)
MINUTES of the BOARD MEETING
held on Wednesday 7 February 2024 at 10.50 a.m.
in the Lewis Meeting Room, Gourrock, PA19 1QP**

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs) Section 33 (Commercial interests) and Section 36 (Confidentiality)]

Present: Erik Ostergaard (EO) – Chair
Robbie Drummond (RD)
Tim Ingram (TI)
Grant Macrae (GMac)
Sharon O’Connor (SOC)
Kay Ryan (KR)

In attendance: Andy Robinson (AR) – Transport Scotland
Janine Ward (JW) – Finance Director
Stephanie Griffin (SRG) – Company Secretary

Apologies: David Beaton (DB)

Item	Action
1. <u>GOVERNANCE</u>	
1.1 SAFETY & ENVIRONMENT MOMENT G Macrae reported that the US National Transportation Safety Board report into the incident whereby a large panel from an Alaskan Airways aircraft had come off mid-flight had found that four bolts required to secure the door plug were not in place when the aircraft had left the Boeing factory which brought into question Boeing’s quality systems. Quality systems were pertinent to CalMac, particularly regarding work carried out during overhaul. G Macrae commented that these issues could have reputational as well as safety impact.	
	[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]
1.2 APOLOGIES FOR ABSENCE Apologies for absence had been received from D Beaton.	
1.3 DECLARATIONS OF INTEREST There were no new declarations of interest.	
1.4 MINUTES FROM BOARD MEETING OF 13 DECEMBER 2023 The Minutes of the Board meeting held on 13 December 2023 were APPROVED and the Chairman was AUTHORISED to sign the minutes.	
1.5 ACTION LOG The Board discussed the action log and noted that all actions were complete.	
2. <u>STRATEGIC ITEMS</u>	
2.1 CHFS DIRECT AWARD UPDATE A Robinson updated the Board as follows.	

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

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3. **ANNUAL REPORT & ACCOUNTS**

3.1 **FINANCE DIRECTOR OVERVIEW**

The report from J Ward was noted [**FOISA Status – Exemption under Section 33 (Commercial interests)**]

3.2 **KPMG AUDIT REPORT**

The report from the External Auditor, which was an updated version of the report reviewed in detail by the Audit & Risk Committee, was noted.

3.3 **DAVID MACBRAYNE LIMITED ANNUAL REPORT & ACCOUNTS 2022/23**

The David MacBrayne Limited Annual Report & Financial Statements to 31 March 2023, including the Auditor's Report, were noted.

It was noted that the Audit & Risk Committee had undertaken a detailed review of the Annual Report & Accounts, including the report on the audit from the External Auditor, KPMG, and recommended the DML Accounts for Board approval.

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

Decision

The Board **APPROVED** the DML Annual Report & Accounts as at the date of finalisation of the external audit process, subject to no material changes being made, and **AUTHORISED** them to be signed at that point on behalf of the Board.

3.4 **DAVID MACBRAYNE LIMITED LETTER OF REPRESENTATION**

The Board noted that the Audit & Risk Committee had reviewed the Letter of Representation and had recommended its approval by the Board.

Decision

The Board **APPROVED** the Letter of Representation and **AUTHORISED** it to be signed on behalf of the Board

3.4 **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

4. **BOARD COMMITTEES**

4.1 **AUDIT & RISK COMMITTEE (ARC)**

G Macrae noted that the Annual Report & Accounts had been approved earlier in the meeting.

4.2 **HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo)**

T Ingram reported that he and G Macrae had discussed the overlap between their respective Committees in respect, particularly, of risk reporting and the potential for future simplification to enable discussion to focus on key issues. He reported that the Terms of Reference would be modified, where appropriate, to reflect this. He also reported that in due course the new governance arrangements stemming from the proposed Direct Award of the CHFS3 Contract would need to be reviewed for impacts on the Terms of Reference of the Board Committees.

T Ingram reported that L De Wolff would be presenting to the next HSEQCo on near miss reporting and this presentation could be made available to the Board if desired.

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T Ingram reported that the HSEQCo had agreed holding a Committee meeting on the network, potentially to fit in with the overhaul/dry dock schedule although this was not feasible for the 2023/2024 schedule.

4.3 **REMUNERATION COMMITTEE (REMCO)**

S O'Connor reported that the RemCo had met earlier in the day and these minutes would be circulated to the Board in due course.

5. **GROUP REPORTS**

5.1 **GROUP FINANCE UPDATE – DECEMBER 2023**

The Board noted the report from J Ward.

5.1.1 **DML Group P&L – December Financial Performance**

J Ward reported **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

5.1.2 **P&L Forecast for 23/24**

J Ward reported **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

5.1.3 **DML Group Financial Risks and Opportunities – 23/24**

The financial risks and opportunities for 23/24 were noted. **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

5.1.4 **DML Group Balance Sheet**

The Net Asset balance was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

5.1.5 **Cashflow Statement**

J Ward reported **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

5.1.6 **CHFS Contractual Funding Update**

This was noted.

5.2 **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

5.3 **POLICIES REVIEW**

The following Policies which had been reviewed at the ExCo and submitted for Board approval were noted:

- Social Media Policy – new policy noted. **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- Port Sundry Expenditure Cards Policy – new policy noted.
- Corporate Credit Cards Policy – new policy noted.
- Central Spend Credit Cards Policy – new policy noted.
- Absence Policy – updates to the existing policy were noted
- Shared Paternal Leave Policy – updates to the existing policy were noted
- Parental Leave Policy – updates to the existing policy were noted

Decision

The Board **APPROVED** the Social Media, Port Sundry Expenditure Cards, Corporate Credit Cards, Central Spend Credit Cards, Absence, Shared Paternal Leave and Parental Leave Policies.

6. **ANY OTHER BUSINESS**

6.1 **ANNUAL AGENDA SCHEDULE/PLAN OF WORK 2024**

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The Board noted the report and the 2024 Annual Agenda Schedule/Plan of Work and S R Griffin reported that the updates to the previous schedule were outlined in the Executive Summary.

Decision

The Board **APPROVED** the Annual Agenda Schedule/Plan of Work 2024.

7. **DATE OF NEXT MEETING**

Wednesday 3 April 2024 at 9.00 am in Gourrock.

Signed:

E Ostergaard, Chair

Date: