

Confidential

**DAVID MACBRAYNE LIMITED (“DML”)
MINUTES of the BOARD MEETING
held on Wednesday 1 February 2023 at 11.15 a.m.**

in the Lewis Meeting Room, Gourock, PA19 1QP and by audio/video conference

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

Present: E Ostergaard (EO) – Chair
R Drummond (RD)
T Ingram (TI)
G Macrae (GMac)
S O’Connor (SOC)

In attendance: F Pacitti (FP) — Director Aviation, Maritime, Freight & Canals, Transport Scotland
J Ward (JW) – Finance Director
S R Griffin (SRG) – Company Secretary

| Item | Action |
|--|---------------|
| 1. <u>GOVERNANCE</u> | |
| 1.1 SAFETY & ENVIRONMENT MOMENT [FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)] | |
| 1.2 APOLOGIES FOR ABSENCE There were no apologies for absence. | |
| 1.3 DECLARATIONS OF INTEREST There were no declarations of interest. | |
| 1.4 MINUTES FROM BOARD MEETING OF 30 NOVEMBER 2022 The Minutes of the Board meeting held on 30 November 2022 were APPROVED and the Chairman was AUTHORISED to sign the minutes. | |
| 1.5 ACTION LOG The action log was noted and all the actions were not yet due. | |
| 2. <u>STRATEGIC ITEMS</u> | |
| 2.1 WINDING UP OF NON-TRADING/DORMANT SUBSIDIARIES The Board noted the report and S R Griffin reported that there were four remaining non-trading/dormant companies within the DML Group which had been assessed as appropriate for wind-up as they were no longer required operationally but still utilised resource e.g. to produce Statutory Accounts, namely: ➤ Argyll Ferries Limited ➤ Northlink Ferries Limited ➤ Rathlin Ferries Limited ➤ Cowal Ferries Limited | |

The Board also noted that as part of this process Board approval was required (per the Delegated Authority Policy) to close the bank accounts of these companies.

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In addition there was a dormant Guernsey subsidiary of Northlink Ferries Limited which was targeted for winding-up.

S R Griffin confirmed that it was a straightforward exercise to form a new company should one be required in the future.

Decision

The Board **APPROVED** the winding up of the four DML Group UK subsidiaries outlined above together with the Guernsey subsidiary company of Northlink Ferries Limited and **AUTHORISED** the steps necessary to complete these wind-ups.

The Board **APPROVED** the closure of the bank accounts for Argyll Ferries Limited, Northlink Ferries Limited, Rathlin Ferries Limited and Cowal Ferries Limited.

3. BOARD COMMITTEES

3.1 AUDIT & RISK COMMITTEE (ARC)

G Macrae reported that there had been no ARC meetings in the period and no matters requiring update to the Board.

3.2 HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo)

T Ingram reported that there had been no HSEQCo meetings in the period and no matters requiring update to the Board.

3.3 REMUNERATION COMMITTEE (REMCO)

S O'Connor reported that an ad hoc RemCo meeting had been held on 24 January 2023 and that an update on the matter discussed had been given to the Board at the CFL Board meeting earlier in the day. She advised that the minutes of this RemCo meeting would be circulated to the Board in due course.

4. GROUP REPORTS

4.1 GROUP FINANCE UPDATE

The Board noted the report from J Ward.

4.1.1 DML Group P&L Month & YTD Performance

J Ward reported **[FOISA Status – Exemption under Section 33 (Commercial interests)]**. The key variances were:

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

4.1.2 DML Group P&L Annual Forecast

J Ward reported that the forecast result FY22/23 was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**. The drivers included:

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

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

4.1.3 DML Group Balance Sheet

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

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

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4.1.4 **CASHFLOW STATEMENT**

This was noted.

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

4.3 **POLICIES REVIEW**

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

- Absence – updates to the existing policy were noted.
- Parental Bereavement Leave – new policy noted.

Decision

The Board **APPROVED** the Absence and Parental Bereavement Leave Policies.

4.4 **ANNUAL AGENDA SCHEDULE/PLAN OF WORK 2023**

The Board noted the report and the 2023 Annual Agenda Schedule/Plan of Work and S R Griffin reported that the updates to the previous schedule were outlined in the Executive Summary and covered the functional areas of the business presenting a deep dive to the Board during 2023; the timing of the two informal Board sessions during the year; and the joint meetings with the Ferries Community Board. E Ostergaard reported that work was underway to organise the first joint meeting with the Ferries Community Board.

The Board noted that an action had been agreed at the CFL Board earlier in the day for them to make a visit to the Faulds Park warehouse after one of the forthcoming Board meetings.

Decision

The Board **APPROVED** the Annual Agenda Schedule/Plan of Work 2023.

5. **ANY OTHER BUSINESS**

5.1 **NEW BOARD DIRECTORS**

E Ostergaard reported that interviews had been held with a number of high quality candidates for the two new Board Director roles and that two candidates had been selected for recommendation to the Minister. F Pacitti confirmed that these appointments were progressing through the Scottish Government appointment process.

6. **DATE OF NEXT MEETING**

Wednesday 29 March 2023 at 09.00 am in Gourrock.

Signed:
E Ostergaard, Chair

Date: