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DAVID MACBRAYNE LIMITED ("DML")

MINUTES of the BOARD MEETING

held on Monday 5 June 2023 at 3.15 p.m.

in Room 4, SocietyM @ CitizenM, 60 Renfrew Street, Glasgow, G2 3BW

[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)

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

Item	Action
1. <u>GOVERNANCE</u>	
1.1 SAFETY & ENVIRONMENT MOMENT S O'Connor reported that there had been five recent assaults on staff at a Northern Irish transport company with two staff hospitalised as well as a number of anti-social incidents. She noted that CalMac had processes in place for dealing with violence & aggression against staff and passengers, however additional factors to be borne in mind were vessels being at sea and crew living on board. She stated that it was important that the organisation continued to avoid complacency and that incidents where there had been significant risk to staff and passengers should be reviewed with lessons learned debriefings held (which should include the impact of the physical environment). The Board noted that there was a rise generally in public aggression & violence and that frustration over disruptions was feeding into CalMac passenger behaviour. R Drummond advised that CalMac was a member of transport forums which assisted management in keeping up-to-date with best practice.	
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 29 MARCH 2023 The Minutes of the Board meeting held on 29 March 2023 were APPROVED and the Chairman was AUTHORISED to sign the minutes.	
1.5 ACTION LOG The action log was noted and discussed as follows:	

22.21 BOARD MATTERS RESERVED

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All other actions were deferred, ongoing or complete.

2. **BOARD COMMITTEES**

2.1 **AUDIT & RISK COMMITTEE (ARC) – MINUTES OF 17 MAY 2023**

The Board noted the Audit & Risk Committee minutes **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

2.2 **HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo) – MINUTES OF 18 MAY 2023**

The Board noted the HSEQ Committee minutes and T Ingram reported that the Committee had received a very good presentation on the Safety Case process which gave them assurance about the procedures followed within CalMac for operation under a safety case.

2.3 **REMUNERATION COMMITTEE (REMCO) – MINUTES OF 20 APRIL & 26 MAY 2023**

The Board noted the RemCo minutes which had previously been circulated and S O'Connor reported that an exercise was being undertaken to look at the senior team structure & pay as well as the Board structure.

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S O'Connor reported that the Bonus Scheme 2023/24 Targets had also been discussed and approved and the Committee had also discussed the pay negotiations that were due to be held later in the year.

3. **GROUP REPORTS**

3.1 **GROUP FINANCE UPDATE – FINANCIAL YEAR 2022/23**

The Board noted the report from J Ward.

3.1.1 **DML Group Draft P&L**

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

3.1.2 **DML Group Balance Sheet**

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

3.1.3 **Going Concern Assessment - CFL**

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

Monthly Profit & Loss Forecast to March 2025

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

Balance Sheet Forecast

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

Cashflow Forecast

The Board noted the cashflow forecast graph to March 2025 **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

Summary Key Points

The Board noted the following key points:

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

3.2 **GROUP FINANCE UPDATE – APRIL 2023**

The Board noted the report from J Ward.

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3.2.1 DML Group P&L Month Result

This data was noted.

3.2.2 DML Group Financial Risks & Opportunities – 23/24

The financial risks and opportunities 23/24 were noted.

3.2.3 DML Group Balance Sheet

The DML Group Balance Sheet was noted.

3.2.4 Cashflow Statement

This data was noted.

3.2.5 CHFS Contractual Funding Update

This information was noted.

4. ANY OTHER BUSINESS

4.1 DML GROUP SUBSIDIARIES WINDING UP – NORTHLINK CREWING GUERNSEY LIMITED

The Board noted this report which sought ultimate shareholder approval to the proposed preparation of Annual Accounts for Northlink Crewing Guernsey Limited without requiring an audit. It was noted that the Finance Team had reviewed the Accounts and were comfortable with this proposal and that Trident Trust had confirmed that all other regulatory requirements during the period had been met. G Macrae indicated that he had discussed this matter with J Ward and was content with the proposal.

Decision

The Board **APPROVED** that the Northlink Crewing Guernsey Limited Accounts be prepared without requiring an audit and this be communicated to the Board of Northlink Crewing Guernsey Limited.

4.2 DELEGATED AUTHORITIES POLICY - UPDATED

The Board noted this report which outlined the review of the Delegated Authorities Policy and subsequent updates which were shown in mark-up. They noted that the updated Delegated Authorities Policy had been reviewed by the Audit & Risk Committee who had recommended it for Board approval.

Decision

The Board **APPROVED** the updated Delegated Authorities Policy.

4.3 COMMITTEE TERMS OF REFERENCE

The Board noted this report and S R Griffin reported that the changes to the Terms of Reference recommended by each Board Committee for Board approval were outlined in the report and shown in mark-up on the attached Terms of Reference.

Decision

The Board **APPROVED** the amended Terms of Reference of the: Audit & Risk Committee; Health, Safety, Environment & Quality Committee; and Remuneration Committee.

4.4 DIVIDEND UPDATE

The Board noted that this item had been discussed earlier in the meeting under Action Log, action 08.23.

5. DATE OF NEXT MEETING

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Wednesday 5 July 2023 at 9.00 am in Gourock.

Signed:
E Ostergaard, Chair

Date: