London South Bank University
EST 1892

CONFIDENTIAL

South Bank University Enterprises Ltd Board Meeting

3.00 - 4.00 pm on Tuesday, 7 November 2017
in DCG-07 - Clarence Centre for Enterprise and Innovation

Agenda

No.	*Time*	*Item*	*Pages*	*Presenter*
1.		Welcome and apologies		PI
		Year End approvals		
2.		Audit findings	3 - 28	RW
3.		Statutory accounts to 31 July 2017	29 - 44	RW
4.		Letter of Representation	To Follow	RW
5.		SBUEL staff bonuses	45 - 56	GJ
6.		Any other business		PI

Date of next meeting
3.00 pm on Tuesday, 30 January 2018

Members: Paul Ivey (Chair), Michael Cutbill, Mandy Eddolls and Richard Flatman

In attendance Michael Broadway, Joe Kelly and Rebecca Warren

Apologies Gurpreet Jagpal

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SOUTH BANK UNIVERSITY ENTERPRISES LTD

	CONFIDENTIAL
Board:	SBUEL Board of Directors
Date:	7 November 2016
Paper title:	Audit findings
Author:	Rebecca Warren, Accountant
Recommendation:	The Board is requested to consider the audit findings relevant to SBUEL.

The Audit Findings document for LSBU is attached, which applies where relevant to SBUEL. The Board is requested to consider the audit findings relevant to SBUEL. References to SBUEL are on: pages 4, 6, and 16

Page 4: Summary
"The following matters are currently outstanding:
— We are finalising our procedures in relation to staff costs and property rentals in the SBUEL accounts."

Page 6: Summary
"We have carried out an audit of South Bank University Enterprises Ltd. pursuant to International Auditing Standards and issue an opinion in accordance with the Companies Act 2006. We did not identify any significant matters during the course of our work."

Page 16: Summary of audit differences
"We have no other matters to report to you in this respect, however we highlight that there are a limited number of procedures outstanding related to journals and staff costs."

The document was produced by KPMG, the external auditors. The audit findings for both LSBU and SBUEL will be reviewed in detail by the LSBU Audit Committee.

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KPMG

Audit Highlights Memorandum

DRAFT

London South Bank University

Year ended 31 July 2017

-

9 November 2017

Contents

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This report is made solely to the Board of Governors of London South Bank University, in accordance with the terms of our engagement. It has been released to London South Bank University on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the Board of Governor's own internal purposes) or in part, without our prior written consent. We acknowledge that London South Bank University will disclose this report to the Higher Education Funding Council for England (HEFCE), to enable HEFCE to verify that a report to the Board of Governors by way of management letter has been commissioned by the Board of Governors and issued by the University's auditors, and to facilitate the discharge by HEFCE of its functions in respect of the University. Matters coming to our attention during our audit work have been considered so that we might state to London South Bank University those matters we are required to state to the Board of Governors in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors, for our work referable to this report, for this report, or for the opinions we have formed.

Please note that this report is confidential between London South Bank University and this firm and between HEFCE and this firm. Any disclosure of this report beyond what is permitted above will prejudice this firm's commercial interests. A request for our consent to any such wider disclosure may result in our agreement to these disclosure restrictions being lifted in part. If London South Bank University or HEFCE ('you') receive a request for disclosure of this report under the Freedom of Information Act 2000, having regard to these actionable disclosure restrictions you must let us know and you must not make a disclosure in response to any such request without our prior written consent.

Introduction

Structure of this report

This report is structured as follows:

- The executive summary outlines the headline messages;
- Sections 1 and 2 outline the progress on significant audit risks and other audit issues identified in our Audit Strategy and Planning Memorandum;
- Section 3 outlines how we have considered a number of significant judgments and estimates affecting the University; and
- Section 4 provides an update on other information of interest to the Audit Committee.

Our recommendations are included in Appendix 1. We have also reviewed your progress in implementing prior year recommendations and this is detailed in Appendix 2.

The purpose of our audit

The main purpose of our audit which is carried out in accordance with International Auditing Standards (ISAs) issued by the Auditing Practices Board, is to report to the University whether in our opinion the financial statements:

- Give a true and fair view of the state of the affairs of the Group and University as at 31 July 2017 and of the Group's and University's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended;
- Have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102)) and the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education (FEHE SORP);
- meet the requirements of HEFCE's *Accounts direction to higher education institutions for 2016/17 financial statements*; and
- have been properly prepared in accordance with the Companies Act 2006.

We also give an opinion on matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992, that, in all material respects:

- Funds from whatever source administered by the Group and the University for specific purposes have been applied to those purposes;
- Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- the requirements of HEFCE's Accounts Direction to higher education institutions for 2016/17 financial statements have been met.

KPMG

Executive summary - Audit progress and key audit issues

The purpose of this report is to set out certain matters which came to our attention during the course of our audit of the accounts of London South Bank University (the University) for the year ended 31 July 2017, fulfilling our obligation under International Standard on Auditing (ISA) 260 to provide a summary of the work we have carried out to discharge our statutory audit responsibilities to those charged with governance at the time they are considering the financial statements.

This report also covers the key findings arising from the audit of the University's subsidiary, South Bank University Enterprises Ltd.

Issue	Summary
Audit progress and status We anticipate being able to provide clean audit opinions on both the financial statements and use of funds audits	Our audit is now substantially complete and we anticipate being able to report in our opinion that the financial statements: — give a true and fair view of the state of the affairs of the Group and University as at 31 July 2017 and of the Group's and University's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended; — have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102) and the FEHE SORP; — meet the requirements of HEFCE's Accounts direction to higher education institutions for 2016/17 financial statements; and — have been properly prepared in accordance with the Companies Act 2006. We also provide an opinion on certain other matters prescribed in the HEFCE Audit Code of Practice and anticipate being able to report that, in all material respects: — Funds from whatever source administered by the Group and the University for specific purposes have been applied to those purposes; — Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and — The requirements of HEFCE's Accounts direction to higher education institutions for 2016/17 financial statements have been met. Finally, we anticipate that, subject to the outstanding matters referred to below, we will report that in our opinion the information given in the Strategic Report of London South Bank University for the financial year for which the financial statements are prepared is consistent with the financial statements. The following matters are currently outstanding: — We are finalising our procedures in relation to staff costs and property rentals in the SBUEL accounts; and — We are reviewing the audit evidence for an accrual held for both income and expenditure in respect of a catering contract in order to confirm the value. The amount of both the income and expenditure accrual is c£1.5 million which is below our materiality level.

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Executive summary - Audit progress and key audit issues (cont.)

Issue	Summary
Financial Position and going concern	We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.
Audit adjustments identified	Our audit has not identified any misstatements greater than our triviality threshold. We identified several minor presentational adjustments which have all been corrected by the University. A comprehensive summary is listed at Appendix 3.
Recommendations arising from our audit	We have identified three recommendations which we are required to bring to your attention. These relate to the following issues: ■ The Financial Controller conducts a monthly review of all journals posted. However the volume of journals posted on a monthly basis means this is a time consuming exercise, and not all journals are not reviewed in detail prior to posting. ■ During our testing we identified a number of transactions that were not supported by backing documentation on the Agresso system, and further instances where the backing did not provide sufficient evidence to enable us to corroborate the accuracy or the reasonableness of the journal that was posted. ■ Through our testing of Fixed Assets we identified £407k worth of assets for which evidence of their existence or current use could not be provided. All assets had been fully depreciated meaning there is no impact on the surplus/deficit figure for the year, but could indicate that the cost and accumulated depreciation figures within the Fixed Assets note is overstated. We have reviewed the University's response to recommendations raised by the previous external auditor. The University has implemented five of the seven recommendations raised in the prior year. The two recommendations that have not been implemented relate to journals authorisation and are superseded by the recommendation we have raised within Appendix One.
Other significant matters	We have a responsibility to consider fraud and we considered the risk of fraud in our assessment of your controls framework. We have also considered your arrangements for the prevention and detection of fraud and corruption, and do not have any significant matters to bring to your attention.

Executive summary - Audit progress and key audit issues (cont.)

Issue	Summary
Subsidiary audits There were no significant matters arising from our audit	We have carried out an audit of South Bank University Enterprises Ltd. pursuant to International Auditing Standards and issue an opinion in accordance with the Companies Act 2006. We did not identify any significant matters during the course of our work.
Independence	ISA 260 '*Communication of audit matters with those charged with governance'* requires us to communicate at least once a year regarding all relationships between KPMG and London South Bank University that may be reasonably thought to have bearing on our independence. KPMG conforms to the highest governance standards at all times and we will ensure that any additional services are approved in advance as appropriate in order to ensure transparency. The KPMG audit team have made enquiries of all KPMG teams providing services to the University and in their professional judgement are satisfied that KPMG is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Partners and audit staff is not impaired. See Appendix 5 for more details.

Acknowledgements

We would like to take this opportunity to thank the Chief Financial Officer, Financial Controller, Finance Team and all other staff we met during our audit for their co-operation and assistance.

Significant risks

The following provides an update on significant audit risks identified in our Audit Strategy and Planning Memorandum.

Significant risk	Summary of findings
Fraud risk from revenue recognition There were no significant matters arising from our audit in respect of this significant risk	We have considered the extent to which the University's finance, student records and planning functions are integrated to ensure complete and timely data and information in areas such as: ■ the University's fee matrix for calculating tuition fee values; and ■ reconciliation processes, especially the reconciliation for year end and the associated evidence base. During the year under review: ■ We have reviewed the completeness of fee income for student fees raised through the student record system by reviewing the year-end reconciliation with the general ledger. ■ We reviewed the calculation of tuition fees for a sample of students by reviewing the classification of students and recalculating the fee based on the University's fee matrix. We agreed a sample of invoices issued to students back to underlying records to assess whether the correct fee had been applied. ■ We have considered income recognition and debtor recoverability. ■ We substantively tested research grant income to confirm the completeness and accuracy of balances and did not identify any indication of fraudulent reporting. ■ We completed substantive procedures over other income (HEFCE funding, deferred income, other income and investment income). No significant concerns arose from our work in these areas.
Management override of controls There were no significant matters arising from our audit in respect of this significant risk	As a result of our procedures, including testing of journal entries, accounting estimates and significant transactions outside the normal course of business, no instances of fraud or management override were identified. We note that there is no automated authorisation of journals that are posted to the ledger. A lack of segregation of duties means that individuals with access to the ledger could post journals that misrepresent the University's performance. Through our substantive testing of high risk journals we have been able to assure ourselves that there are no material journals of this nature that have been posted. We have raised one recommendation in this respect in Appendix One.

Significant risks

Significant risk	Summary of findings
Defined benefit pension schemes There were no significant matters arising from our audit in respect of this significant risk	KPMG actuaries have reviewed the actuarial valuation for the LPFA and USS pension schemes. They have also considered the disclosure implications and compared the actuarial valuation to KPMG's internal benchmarks. We have reviewed the accounts to consider whether the pensions disclosures are appropriate and we have reviewed the accounting treatment for annual pension charges though the Statement of Comprehensive Income. We have also reviewed the disclosures in respect of the Teacher's Pension Scheme and the London South Bank University Defined Contribution Scheme. We note that the University has opted to use the Barnett Waddingham assumptions to calculate the deficit of the USS pension scheme, to ensure consistency with the calculation method of the LPFA scheme. This is consistent to the approach taken in the prior year. We have performed sensitivity analysis over the assumptions and calculated that the difference (£66k) in the USS pension provision between the two assumptions is below our triviality threshold. We have also confirmed with the auditor of the LPFA that there are appropriate controls in place to ensure that data passed to the actuary is complete and accurate. Overall we consider the assumptions adopted to be within our benchmark range, producing a net liability that is within our benchmark range. See Appendix 4 for more details.

Other areas of audit focus

The following provides an update on other audit issues identified in our Audit Strategy and Planning Memorandum.

Other areas of audit focus	Summary of findings
Opening balances	In line with professional auditing standards we met with Grant Thornton as the outgoing auditor to ensure that key information and significant findings were communicated to us. Where possible we placed reliance on their findings. We agreed the opening balances to the audited 2015/16 financial statements. We performed substantive procedures over the opening balances included within the fixed assets note, and raised one recommendation in this respect. We did not identify any significant issues that impact on our overall opinion.
Valuation of fixed assets	Through our work we considered the capitalisation and classification of additions to the estate. We reviewed the costs capitalised as assets under construction and assessed whether these had been appropriately classified as at the balance sheet date. We reviewed any judgements made over the capitalisation of costs to confirm their appropriateness. We considered the approach the University has taken to review potential impairments to its estate. We reviewed capital projects held as assets under construction, and assessed the appropriateness of their classification. For assets that have been transferred out of assets under construction (AUC) we reviewed how the University had identified the cost as assets are brought into use. We also considered the disclosures in relation to capital commitments and the presentation and disclosure of the funding and borrowing associated with the University's estates plans. Through our testing of fixed assets we identified £407k worth of assets for which evidence of existence or current use could not be provided. All assets had been fully depreciated meaning there is no impact on the net asset figure for the year or any requirement to write off capital costs to the income and expenditure account. This does however indicate that the cost and accumulated depreciation figures within the fixed assets note is overstated. We have raised a recommendation in respect of this in Appendix One. We have no other significant matters to report in respect of this work.
Transaction with Lambeth College – Project Larch	We discussed the transaction with management and reviewed minutes of the Board of Governors in relation to Project Larch. The transaction has not progressed to a stage where the University exerts control over the Lambeth College, meaning consolidation was not required in the 2016/17 financial statements. We did not identify any significant transactions with Lambeth College during the course of our audit, and we did not identify any matters that would require disclosure as a post balance sheet event. We therefore did not identify any significant issues that impact on our overall opinion.
Use of funds	We have completed our use of funds audit programme to confirm compliance with the requirements of the HEFCE Memorandum of Assurance and Accountability, and in addition our testing of controls and substantive items of expenditure has tested whether in all material respects funds have been used for the purposes given (including all sources of grant funding). We have no issues to report in respect of the above.

Key accounting judgements

During the audit we have considered a number of key accounting judgements and estimates affecting the University this year and alongside the summary of significant risks and other matters arising in Section One above, we have summarised our findings below to give the Audit Committee a view as to whether we believe these judgements are reasonable:

Level of prudence

0 | 1 2 3 4 5 | 6

Cautious — Balanced — Optimistic

Acceptable range

Subjective areas	2016/17	Commentary
Provisions	3	The University's total bad debt provision is £5.2m. £4.2m of this balance relates to tuition fees that are not recovered from the Student Loans Company. The University calculates the provision based on an estimated position at year-end. At the date of our fieldwork (three months after year end) we reviewed payments received that had been estimated by management. The difference between actual receipts and management's estimate was well below our triviality threshold, leading us to conclude that this estimate is balanced.
Property, Plant and Equipment (asset lives)	2	We have reviewed the University's policy for depreciating assets through our review of the depreciation charge. The University assigns different useful economic lives depending on the category of the asset. The University holds a number of assets on the fixed asset register with a nil net book value, which may indicate that the useful economic lives allocated are in some cases prudent. We have raised a recommendation in this respect in Appendix One.
Pensions	2	The pension deficit within the funded LGPS has decreased over the year by £8.8m. Our actuarial team has reviewed the assumptions that make up this calculation, and have noted that the CPI assumption of 2.7% is prudent when compared to benchmarked results (2.35%), and results in higher liability. However we identified that the discount rate of 2.7% applied was more optimistic than the KPMG actuarial assumption of 2.45%, reducing the liability. Overall we have therefore judged this as a prudent assumption, as the variance between the CPI assumption and the benchmarked range (which results in a higher liability) is greater than the variance between the discount factor and the benchmarked range. Further information is included in Appendix Three.

Key accounting judgements

Going concern

The financial statements have been drawn up on the basis that the University is a going concern and will continue as such for the foreseeable future. The following table summarises the budgeted income and expenditure for 2017/18.

	£'000
Income	
Tuition fee and education contract	109,626
Funding body grants	14,075
Research grants and contracts	2,200
Other income	24,491
Investment income	150
Total income	**150,541**
Expenditure	
Staff costs	84,990
Other operating expenses	48,514
Depreciation	11,130
Interest and other finance costs	4,408
Total expenditure	**149,042**
Surplus/deficit	**1,500**

- The majority of the University's income is derived from tuition fee income. In 2016/17 the University exceeded its tuition fee and education contract forecasts by 3.8%. We note that the University's forecast income for 2017/18 is 0.5% higher than the actual income. The number of applications received was down 2% in year, compared to a national average drop of 5%. If student recruitment were to drop 5% (in line with the national average drop in applications) the University would lose approximately £1.125m in income, meaning the University would still make an in-year surplus, which supports the going concern assumption.
- The University has forecast a rise in staff costs of 6%, however this will be offset in part by the increase in tuition fee income. In 2016/17 the University spent £4.8m less in staff costs than forecast. We also note that there is £3m of contingency to off-set any in-year student recruitment shortfall.
- The University has a strong cash position, holding £48.8m in cash and liquid investments at year end, which is enough to cover all of the University's short term creditors.
- The University has forecast a surplus of £1.5m for 2017/18. In 2016/17 the University recorded an actual surplus of £1.9m, which was £0.3m better than forecast.

The above points support the University's ability to forecast accurately and show positive financial performance. This supports the assumption that the University's accounts should be prepared on the going concern basis.

Other matters

Strategic report

We read all the financial and non-financial information in the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

We have reviewed the University's annual report and can confirm it is not inconsistent with the financial information contained in the audited financial statements.

Corporate governance statement

The University is required to include in its annual financial statements a statement on internal control (corporate governance). In formulating their statement, the University is required to have regard to best practice guidance, including guidance from the British Universities Finance Directors Group.

We are required to review the University's statement to assess whether the description of the process adopted by the University in reviewing the effectiveness of the system of internal control is consistent with our understanding of the process and report any inconsistencies in our opinion. We are not required to provide an opinion on the University's system of internal control.

We have reviewed the corporate governance statement and consider it consistent with our understanding of the process followed by the University during the year.

Fraud

We have a responsibility to consider fraud and we addressed this in our assessment of your controls framework. We have also considered your arrangements for the prevention and detection of fraud and corruption, alongside our accounts audit work.

We have nothing significant to report in this respect.

Management representations

In accordance with ISA 580 *Written representations,* we request written representations from those charged with governance on certain matters relating to the audit of the University.

The draft written representations will be provided within the papers for the meeting on 9 November 2017. We require a signed copy of your management representations before we issue our audit opinion.

Internal audit

In accordance with ISA 610 *Considering the work of Internal Audit* we have considered work carried out by the internal auditors during the year, where appropriate including:

- The overall scope of their work as set out in their strategic and annual plan;
- The detailed work they have carried out in the areas identified within the annual plan, specifically the areas related to core financial systems.

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report.

Appendices

Recommendations arising from our audit

We have given each recommendation a risk rating and agreed what action management will need to take.

The University should closely monitor progress in addressing specific risks and implementing our recommendations.

We will formally follow up these recommendations next year.

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Priority rating for recommendations					
1	*High priority*: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	*Medium priority*: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	3	*Low priority*: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

No.	Risk	Issue and recommendation	Management response/responsible officer/due date
1	2	**Journals authorisation** Currently the Financial Controller conducts a monthly review of all journals posted. However the volume of journals posted on a monthly basis means this is a time consuming exercise, and not all journals are reviewed in detail prior to posting. Management has been working to implement an authorisation workflow within the Agresso system, to ensure certain types of journals are authorised before being posted. We recommend that automated journal approval is introduced to ensure that all journals are reviewed in detail with most (other than those that are simply moving transactions between cost centres) being reviewed prior to posting.	**Agreed** We will put in place a process for the authorization of journals with most being authorized prior to posting and only in limited circumstances allowing journals to be authorized retrospectively **Responsible officer:** Natalie Ferer, Ravi Mistry **Deadline:** 30 November 2017

Recommendations arising from our audit

recommendation a risk rating and agreed what action management will need to take.

The University should closely monitor progress in addressing specific risks and implementing our recommendations.

We will formally follow up these recommendations next year.

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No.	Risk	Issue and recommendation	Management response/responsible officer/due date
2	2	**Attaching supporting documentation to journals** During our testing we identified a number of transactions that were not supported by backing documentation on the Agresso system, and further instances where the backing did not provide sufficient evidence to enable us to corroborate the accuracy or the reasonableness of the journal that was posted. The University should ensure that each journal has sufficient backing documentation to corroborate the accuracy and reasonableness of the journal prior to it being approved for posting. If possible the automated approval process should require backing documentation to be attached to the journal, and this should be checked by the approver prior to posting.	**Agreed** guidance notes detailing supporting documentation required to be attached will be updated and staff given further training in this area. a monthly review of all journals posted will take place to ensure adequate supporting documentation is attached **Responsible officer:** Natalie Ferer, Ravi Mistry **Deadline:** 30 November 2017
3	2	**Cleansing of the Fixed Asset Register** Through our testing of PPE we identified £407k worth of assets for which evidence of their existence or current use could not be provided. All assets had been fully depreciated meaning there is no impact on the reported results for the year, but it does mean that the cost and accumulated depreciation figures within the fixed asset note are overstated. We recommend that management undertake a one off exercise to clear all nil net book value assets that are no longer in use from the Fixed Asset Register. The University should consider whether any of the assets at nil NBV are still in use, and if so, whether the allocated useful economic life is reasonable.	**Agreed** we will undertake a one off exercise to verify the existence of all assets held on our fixed asset register and then on will conduct an annual exercise to verify the existence of assets and if they are still in use. **Responsible officer:** Natalie Ferer **Deadline:** 31st March 2018

Summary of audit differences

This appendix sets out the significant audit differences identified during the audit for the year ended 31 July 2017.

We report on all audit differences over our triviality threshold of £105k.

We are required by ISA (UK and Ireland) 260 Communication of Audit Matters to Those Charged with Governance to communicate all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance. We are also required to report all material misstatements that management has corrected but that we believe should be communicated to those charged with governance to assist it in fulfilling its governance responsibilities.

Corrected audit differences

We did not identify any corrected audit differences during the course of our audit.

Uncorrected audit differences

We identified the below misstatements during the course of our work. However as they are not above our materiality threshold, we do not require the University to adjust for these amounts.

	Income and expenditure account (£000)		Balance sheet (£000)	
Issue	**Dr**	**Cr**	**Dr**	**Cr**
We identified £936k of expenditure that related to capital projects above the University's capitalisation threshold that had not been capitalised.		£936k	£936k	
We identified £124k of income that related to 2017/18, and therefore should have been deferred.	£124k			£124k

Presentational issues

In addition to the above we identified a small number of presentational issues during our audit and these have all been amended by the University.

- Computer lease – we identified a computer lease in the TB with a cost of £2.9m and accumulated depreciation of £2.9m. However as the lease had finished and the computer equipment had been replaced this should have not been included in the cost or accumulated depreciation figure. There is no impact on the total NBV figure.
- LSBU has correctly presented software as an intangible asset, however the prior year comparators had not been included in the note.
- We identified £1,079k of depreciation in the fixed assets note which related to the amortisation of software.

South Bank University Entreprises Ltd.

We have no other matters to report to you in this respect, however we highlight that there are a limited number of procedures outstanding related to journals and staff costs.

Summary of financial performance - retirement benefits

Accounting requirements

The Local Government Pension Scheme (LGPS) is a Defined Benefit Pension Scheme and participating education employers are required to report their pensions obligations in relation to the scheme under the FRS102 accounting standard. Under FRS102, the balance sheet position is calculated on an ‘accounting basis’, which must be determined based on principles prescribed by the FRS102 accounting standard. The accounting assumptions used are required to represent the Actuary’s ‘best estimate’ of the cost of providing the promised benefits, with the calculations based on market conditions at the respective date.

Cash contributions

As a result of the prescribed basis, the pension expense and balance sheet liabilities stated in the employers FRS102 accounts have no bearing on the actual cash contributions that the employer currently pays, or will pay in the future. An employers’ ongoing cash obligations to the LGPS Fund they participate in is to pay the contributions to cover the build-up on accruing benefits for current employees, and contributions towards recovering any deficit revealed at the most recent LGPS funding valuation. This may be, and usually is, very different to an accounting basis.

The ongoing contributions required to be paid by the employer are determined by the Actuary at each valuation on a ‘funding’ basis. The funding basis is based on market conditions and the respective LGPS funding methodology of the advising Actuary firm. Contributions can therefore be volatile over time. Whilst current contributions may be sustainable, employers should consider whether future adverse experience or a change in the funding methodology used by their LGPS Funds could result in increase in obligations and a necessary increase in contributions to their LGPS Funds.

There is a significant lack of consistency across the approaches taken to valuing employer funding liabilities across the four LGPS Actuary firms. This means that some employers are paying considerable more, or less than employers in other Funds for identical benefits for employees. Paying a lower rate of contributions in the short term will lead to either the need for a higher level of contributions to be paid in the longer term, or require investment assets to outperform current expectations. Consideration should be given to the effect that a significant increase in the level of contributions required would have on the employers overall business plans and objectives.

Ultimate employer obligations

Whilst prudent assumptions are required to be used in the LGPS funding valuation, employers should also bear in mind that their ultimate obligation to the LGPS Funds are the cessation liabilities. Under the LGPS regulations, when an employers’ last active member leaves a participation (i.e. on cessation of accrual), a termination (exit) debt will be triggered will need to be paid to the LGPS Fund. The termination liabilities are the expected cost of providing all the benefits promised to members, determined on basis that is in usually more prudent than the ongoing funding basis. The termination debt is the difference between the liabilities and the employers assets held within the Funds. If an employer not admitting new employees into the Fund then there may be a potential cessation debt which should be understood by the employer.

Further assistance

Employers who require further advice in relation to the management of their LGPS, TPS or USS pension liabilities should contact David Spreckley (David.Spreckley@KPMG.co.uk) or Emma Patterson (Emma.Patterson@KPMG.co.uk) in KPMG’s Public Service Pensions team.

Summary of financial performance – retirement benefits

Below we have compared the assumptions used by the LPFA actuary (Barnett Waddingham) to the assumptions used by the KPMG Actuarial team. All the assumptions used by Barnett Waddingham fall within our tolerable range, and are therefore considered reasonable.

Overall	Employer assumption	KPMG Central assumption	Assessment	KPMG Comments
Discount rate	2.7%	2.45%		The proposed assumption is less prudent than our central assumption, placing a lower value on the liabilities. The assumption is within our usual range of tolerance and can be considered reasonable.
CPI inflation/Pension increases	2.7%	2.35%		The proposed assumption is more prudent than our central assumption, placing a higher value on the liabilities. The assumption is towards the upper end of our usual range of tolerance and moving to the edge of our central range of tolerance could decrease liabilities by 1.1-1.2%.
Net discount rate (Discount rate – CPI)	0%	0.1%		The net discount rate is within our acceptable range.
Salary growth	4.2%	1%-2.5% above CPI		As the assumptions are reflective of the Employer's long term salary expectations, we consider this assumption to be reasonable.
Life expectancy Current male/female pensioner (age 65) Future male/female pensioner (age 45)	21.2/24.2 years 23.6/26.5 years	22.2/24.3 years 24.0/26.2 years		The assumption has been set in line with demographic assumptions in the most recent triennial valuation. This approach can be considered reasonable.

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Outside of KPMG's benchmark range. Potential audit difference.

Within a reasonable tolerance of KPMG's central assumption.

In line with the KPMG central assumption.

Summary of financial performance - retirement benefits

Assumption	KPMG methodology
Discount rate	Based on valuing sample pension scheme cash flows with different durations using a yield curve approach and to calculate the single equivalent discount rate for each set of cash flows. Therefore the appropriate discount rate can vary by scheme depending on the liability profile and duration of the scheme. The yield curve used in our models is the AA Corporate yield curve published by Merrill Lynch, extrapolated beyond 30 years using swap curves and Nelson-Siegel-Svensson methodology.
RPI inflation	Similar to discount rate, based on valuing sample pension scheme cash flows with different durations to calculate a single equivalent inflation assumption, based on inflation spot rate projections published by the Bank of England. Therefore the appropriate inflation rate can vary by scheme depending on the liability profile and duration of the scheme.
CPI inflation	RPI inflation less 1.00%, to reflect structural differences in the way CPI and RPI are constructed, historical differences as well as prevailing market practice.
Salary growth	Should reflect the long-term remuneration policy of the employer. Typical range seen across companies is 0% -1.5% above RPI inflation. May not be applicable if scheme is closed to future accrual and benefits are no longer linked to future salary growth.
Pension increases	"Black-Scholes" model used with a volatility assumption of 1.85% and 1.55% for RPI- and CPI-linked pension increases respectively to calculate the average single rate that will be applicable to future pension increases, allowing for the expected future impact of caps and floors. The appropriate CPI / RPI inflation measure should be used in line with scheme rules.
Life expectancy	Typically set by first considering a mortality table to reflect current expected experience, and then an appropriate allowance for future improvements in longevity: — Default base tables: SAPS table S2PXA (normal, all pensioners), but any best estimate scheme specific base table with supporting evidence is acceptable. — Future improvements: CMI 2015 projections with a long term improvement rate of 1.25% for males / females. There are a number of difficulties in deriving best estimates. In particular, many schemes are not large enough to rely on their own experience and UK life expectancies are known to be increasing at a rapid but uncertain rate. For companies that have yet to move to a scheme specific approach, consideration should be given to the overall assumption. Life expectancy may also vary with factors such as socio-economic group, size of pension and geographical location. Therefore, although our central base tables are suitable for a typical UK scheme, we would expect the base table adopted by a Company to reflect the UK Scheme's specific membership.
Commutation	Should be in line with expected scheme experience. It is typical in UK schemes for members to commute some of their pension into tax-free cash.
CETV take up rate	No allowance made for transfers, unless the company or pension scheme has carried out an exercise that may affect the future take up of this option (e.g. a communications exercise to deferreds and/or actives), in which case the assumption should be reviewed to reflect a best estimate of future take up.

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Summary of financial performance - retirement benefits

Assumption	Methodology	Consistency	Reasonableness
Discount rate	The discount rate is based on the Merrill Lynch AA-rate corporate bond yield curve at the appropriate duration.	This is consistent with the methodology used last year.	See duration-specific comments.
RPI inflation	The RPI increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields based on data published by the Bank of England.	This is consistent with the methodology used last year.	Used to derive the CPI assumption. See duration-specific comments on CPI assumption.
CPI inflation	RPI inflation less 0.9% p.a.	This is consistent with the methodology used last year.	See duration-specific comments.
Salary growth	Salary increase assumption from 2016 valuation (in line with CPI to 2020 then CPI +1.5% p.a. after)	The approach used to derive the assumption is consistent, (i.e. based on the most recent triennial valuation) but updated to reflect the 2016 valuation, which was completed since the previous accounting period.	The salary growth assumption should reflect the long term remuneration policy of each employer. If the assumptions are reflective of the employers' long term salary expectations, then we would consider these assumptions to be reasonable.
Pension increases	In line with CPI.	This is consistent with the methodology used last year.	This assumption can be considered reasonable.
Life expectancy	In line with the demographic assumptions adopted at the triennial valuation of the fund at 31 March 2016.	The approach used to derive the assumption is consistent, (i.e. based on the most recent triennial valuation) but updated to reflect the 2016 valuation, which was completed since the previous accounting period.	An assumption in line with the most recent actuarial valuation of the fund would usually be considered reasonable.
Commutation	In line with the demographic assumptions adopted at the triennial valuation of the fund at 31 March 2016.	The approach used to derive the assumption is consistent, (i.e. based on the most recent triennial valuation) but updated to reflect the 2016 valuation, which was completed since the previous accounting period.	An assumption in line with the most recent actuarial valuation of the fund would usually be considered reasonable.
CETV take up rate	In line with the demographic assumptions adopted at the triennial valuation of the fund at 31 March 2016.	The approach used to derive the assumption is consistent, (i.e. based on the most recent triennial valuation) but updated to reflect the 2016 valuation, which was completed since the previous accounting period.	An assumption in line with the most recent actuarial valuation of the fund would usually be considered reasonable.

Summary of financial performance - retirement benefits

Approach typically used by Barnett Waddingham

We have based our comments on Barnett Waddingham's approach on their IAS19 results report dated 14 April 2017.

The asset share for each individual employer is rolled forward from the previous year (as at 31 December 2016) allowing for 'net new money' (i.e. each employer's contribution less benefits paid) and a pro rata share of the investment return earned by the fund as a whole.

At each triennial valuation, a pro rata adjustment is made to ensure that the sum of the asset shares for each individual employer equals the total fund value This adjustment then flows through as an experience item on the assets. We note from Barnett Waddingham's IAS19 report that the asset values were updated to be those available from the fund as at 31 December 2016.

Where asset shares have not previously been calculated then the approach is generally to give an initial asset share based on a pro rata share of the liabilities, e.g. if an employer had a 10% share of the liabilities, an initial asset share would be set up equal to 10% of the total assets.

Limitations of the method

Assets in LGPS funds are not ring fenced at employer level and it is therefore impossible to run these funds without some degree of cross subsidy between employers. The extent of any cross subsidy will depend on the methods used.

The approach involves an element of approximation. Due to, for example, differences in timing of cash flows and investment returns on those amounts, an adjustment or "miscellaneous" item split across employers will be necessary from time to time to ensure that the sum of individual asset shares will exactly match the total assets.

Other disadvantages of the methodology include:

— The calculations can be difficult to follow for participating employers.

— A change for one employer could have a knock on effect on other employers.

— The total asset figure for the whole fund does not easily reconcile with the estimated asset shares derived for FRS102 reporting (due to different accounting year end dates and the fact not all employers request FRS102 figures).

Alternative method – unitisation

Unitisation is a systematic mechanism whereby assets are allocated between subsections of the overall fund. It is a formal arrangement with a good audit trail.

Assets of the fund are notionally converted to units with each employer holding a share of overall units.

All incoming and outgoing cashflows are separately tracked for each employer.

Employers with a positive cashflow will buy more units from time to time (as money is invested) whereas those with a negative cashflow will sell units from time to time (as money is disinvested).

Unit prices are updated regularly to reflect the performance of the underlying assets. Investment returns will be allocated to each employer depending on the number of units held.

Such a system would be the most accurate way of splitting assets between employers but also the most complex to implement and maintain.

Pooling

In some LGPS funds, groups of employers are "pooled", meaning that for cash funding purposes they share risk and pay the same contribution rate.

For those employers in a "pool", further investigation would be required to understand the impact of this on the asset share under the accounting standard and in particular whether the asset share is reflective of the average experience of the pool or of the individual employer itself.

Conclusion

In our view, Barnett Waddingham's approach is pragmatic (in the absence of full unitisation) and should result in a reasonable split of assets between employers which is appropriate for the purpose of reporting under the accounting standard.

Appendix four

Confirmation of independence and objectivity

Assessment of our objectivity and independence as auditor of London South Bank University

Professional ethical standards require us to communicate to you as part of planning all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of Fleur Nieboer and the audit team. This letter is intended to comply with this requirement although we will communicate any significant judgements made about threats to objectivity and independence and the appropriateness of safeguards put in place.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Breaches of applicable ethical standards;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Permissible non-audit services that auditors may perform for their audit clients are enshrined in the APB's Ethical Standard 5. The principal threats to an auditor's objectivity and independence are; self interest, self review, acting as management, acting as advocate, familiarity, and intimidation.

As a result we operate a proprietary global system (Sentinel) to ensure that all requests from London South Bank University via local KPMG offices, for KPMG to provide non-audit services are considered in the context of company policy and our professions ethical standards. Where necessary, further information is sought and specific approvals obtained from the Audit Committee.

In relation to all services provided, consideration is given to any threats to our objectivity and independence. In relation to non audit services which may impact on the financial statements, we apply appropriate safeguards. These include separation of personnel from the audit team and ensuring no decisions or accounting judgements were made by KPMG LLP on behalf of management. In particular, in relation to tax compliance, we do not provide tax accounting schedules.

In summary, in the light of the above safeguards, our assessment is that the above matters have been properly addressed in accordance with APB Ethical Standards and do not threaten our objectivity or independence.

Summary of fees

Any additional services provided by KPMG to you are approved by management under delegated authority from the Board of Governors to ensure transparency. In addition to the audit of the financial statements, during 2016/17 KPMG has also undertaken other work as follows:

- Corporation Tax Compliance.

kpmg.com/uk

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	CONFIDENTIAL
Paper title:	South Bank University Enterprises Ltd statutory accounts for the year ended 31 July 2017
Board/Committee:	South Bank University Enterprises Ltd
Date of meeting:	7 November 2017
Author:	Rebecca Warren
Purpose:	Approval
Recommendation:	The Board is requested to approve the statutory accounts for the year ended 31 July 2017.

The final draft of the statutory accounts follows. The wording of the Independent Auditor's Report on page 4 still needs to be finalised, but there are no qualifications.

As in several previous years, the tax computation shows a small taxable profit. Once the accounts have been approved, the computation will be finalised, and if it still shows a taxable profit, a Gift Aid payment will be made to eliminate this profit so that no tax is payable. The reason the accounts show a taxable profit when there is an accounting loss is because there are some expenses which are not deductible for tax purposes, particularly Entertaining and refurbishment costs, and because fixed assets are treated in a different way for accounting and tax purposes.

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Company Registration No. 2307211

South Bank University Enterprises Limited

Report and Financial Statements

31 July 2017

South Bank University Enterprises Limited

Report and financial statements 2017

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South Bank University Enterprises Limited

Report and financial statements 2017

Officers and professional advisers

Directors

Mr Richard Flatman

Mr Gurpreet Jagpal

Professor Paul Ivey (Chair)

Professor Hilary McCallion CBE – resigned 1 August 2017

Mr Michael Cutbill – appointed 16 March 2017

Secretary

Mr James Stevenson – resigned 7 December 2016

Mr Michael Broadway – appointed 7 December 2016

Registered Office

103 Borough Road
London
SE1 0AA

Bankers

NatWest
City of London Office
1 Princes Street
London
EC2R 8PA

Solicitors

Shakespeare Martineau LLP, 1 Colmore Square, Birmingham B4 6AA

Shoosmiths LLP, Witan Gate House, 500-600 Witan Gate West, Milton Keynes MK9 1SH

Mills and Reeve LLP, Botanic House, 100 Hills Road, Cambridge CB2 1PH

Michelmores LLP, 48 Chancery Lane, London WC2A 1JF

Veale Wasbrough Vizards, LLP Orchard Court, Orchard Lane, Bristol BS1 5WS

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

South Bank University Enterprises Limited
Company Registration No. 2307211

Directors' report

Ownership

The Company is a wholly owned subsidiary of London South Bank University.

Review of Activities

The Company's principal activities are consultancy, research contracts, the hire of facilities, and property letting. In addition, the Company is involved with the protection and commercialisation of Intellectual Property (IP) arising out of the University's research activities.

During the year the Company continued to meet the patent application costs relating to its technology licences and in support of new start-up companies in which the Company has an interest.

Result for the year

Turnover of £2,513,509 was an increase of 9.5% from 2016. The company reported a loss of £25,778.

Patent costs incurred in support of the Company's licences, company start ups and new opportunities continue to be a part of the Company's annual expenditure.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Future Prospects

The Company foresees trading conditions to remain challenging over the next 12 months. Strong competition from other universities and external organisations, allied to generally tight trading conditions and cutbacks in Central and Local Government expenditure, are expected to impact upon the Company's activities and income. The Governments Higher Education and Research Bill continues to affect access to and success of funding applications and the on-going Brexit negotiations will continue to impact on the company's future business. The Company

Directors' report

continues to focus on opportunities to increase and grow its research and enterprise activities. The Company continues to lead and build its commercial engagement with the local community of start-ups and SMEs in South East London and more widely. The Company will continue to support the protection of and commercialisation of intellectual property generated by the University.

Directors who served during the year

Mr Richard Flatman

Mr Gurpreet Jagpal

Professor Paul Ivey (Chair)

Professor Hilary McCallion CBE – resigned 1 August 2017

Mr Michael Cutbill – appointed 16 March 2017

Directors' Interests

No Director had any interest in any contract which subsisted during the period of the report, other than in the ordinary course of the Company's business (2016: none).

No Director had any interests in the shares of the Company or any other group company (2016: none).

Employees

As at the year-end the Company had 21 employees. All other persons associated with the Company are employees of London South Bank University.

Auditors

A resolution to appoint KPMG LLP as auditors of the company will be proposed.

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

Approval

Authorised and approved by the Board of Directors and signed on behalf of the Board by:

Mr Richard Flatman

Director

23 November 2017

Independent auditor's report to the members of South Bank University Enterprises Limited

We have audited the financial statements of South Bank University Enterprises Limited for the year ended 31 July 2017 which comprise the balance sheet, the statement of income and retained earnings, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Fleur Nieboer
Senior Statutory Auditor
for and on behalf of KPMG LLP
Statutory Auditor, Chartered Accountants
London
Date:

South Bank University Enterprises Limited

Statement of income and retained earnings
Year ended 31 July 2017

	Note	2017 £	2016 £
Turnover	1	2,513,509	2,294,539
Cost of sales		(1,090,341)	(745,393)
Gross profit		1,423,168	1,549,146
Administrative expenses		(1,450,544)	(1,383,970)
Operating profit/loss	2	(27,376)	165,176
Interest receivable	4	1,598	2,866
Profit/loss on ordinary activities before taxation for the financial year		(25,778)	168,042
Tax on profits on ordinary activities	6	-	-
Profit/loss for the financial year after taxation		(25,778)	168,042
Retained profit at 1 August		152,619	134,577
Gift aid paid	5	(35,662)	(150,000)
Retained profit at 31 July		91,179	152,619

All activities relate to continuing operations.

There are no gains or losses other than those reported in the profit and loss account.

South Bank University Enterprises Limited
Company Registration No. 2307211

Balance sheet
As at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	7	24	69
Current assets			
Debtors	8	906,260	400,454
Cash at bank and in hand		661,884	459,649
		1,568,144	860,103
Creditors: amounts falling due within one year	9	(1,476,979)	(707,543)
Net current assets		91,165	152,560
Total assets less current liabilities		91,189	152,629
Net assets		91,189	152,629
Capital and reserves			
Called up share capital	10	10	10
Profit and loss account	11	91,179	152,619
Total equity shareholders' funds		91,189	152,629

These financial statements were authorised and approved by the Board of Directors on 23 November 2017.

Signed on behalf of the Board of Directors

Mr Richard Flatman

Director

Principal accounting policies
Year ended 31 July 2017

Basis of Preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The individual accounts of South Bank University Enterprises Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes

Accounting Convention

The accounts have been prepared under the historical cost convention.

Going Concern

The company has net assets at the year-end. The directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover, net of value added tax, comprises sales in relation to consultancy work, contract research, sale of materials and letting facilities.

Cost of Sales

Cost of sales comprises costs of consultancy work, contract research, sale of materials and letting facilities.

Fixed Asset Investments

Investments are carried at cost, less provision for any impairment in value.

Cash Flow Statement

As a wholly owned subsidiary, the company is exempt under Financial Reporting Standard number 1 "Cash flow statements" from the requirement to prepare a cash flow statement. The cash flows of the company are included in the consolidated accounts.

Taxation

The Company makes a Gift Aid payment to London South Bank University during the year at an estimate intended to be sufficient to reduce any taxable profit for the year to zero, subject to the requirement not to cause the reserves of the Company to become negative. Following a change in accounting treatment, this policy in relation to taxation has changed to treat the gift aid payment as a movement in reserves rather than a reduction in profit before tax. This movement is shown on the face of the Statement of income and retained earnings, where the gift aid paid is shown as a movement in retained profit rather than as expenditure prior to taxation.

Taxable profit differs from the net profit as reported in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Foreign currency

Principal accounting policies
Year ended 31 July 2017

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Notes to the accounts
Year ended 31 July 2017

1. Turnover

Turnover and pre-tax profits are attributable to the principal activities of the Company. An analysis of turnover by geographical destination is as follows:

	2017	2016
	£	£
United Kingdom	2,489,724	2,290,593
Other European countries	-	3,946
North America	11,088	-
Asia	12,697	-
	2,513,509	2,294,539

2. Operating profit

	2017	2016
	£	£
Operating profit is stated after charging		
Fees payable to the Company's auditor:		
- for taxation advice	3,549	3,513

The Company's audit fee of £2,750 has been included in the audit fee charged to London South Bank University. (2016: £4,188).

3. Staff costs and Directors' remuneration

The Company had 21 employees at the year-end (2016: 20). All other persons associated with the Company are employees of London South Bank University.

	2017	2016
	£	£
Costs:		
Wages and salaries	1,191,909	1,025,313
Social security costs	105,130	92,448
Employers' pension contributions	89,200	83,003
	1,386,239	1,200,764

No Director employed by the company received remuneration exceeding £100,000 (2016: none).

4. Interest receivable

	2017	2016
	£	£
Bank interest receivable	1,598	2,866

Notes to the accounts
Year ended 31 July 2017

5. Payment under Gift Aid

For the year ending 31 July 2017 the company has approved and paid nil of its taxable profit under the Gift Aid scheme to London South Bank University (2016: £150,000). The company made a payment of £35,662 with respect to 2015-16, disclosed as a movement in reserves.

6. Taxation

The 2017 tax charge is nil (2016: nil).

	2017	2016
	£	£
Profit/loss on ordinary activities before tax	(25,778)	168,042
Taxation on profit/loss on ordinary activities at 19.67% (2016: 20 %)	(5,069)	33,609
Effects of:		
Fixed asset differences	7,234	-
Expenses not deductible for taxation purposes	2,786	4,777
Expense transfers – trade	-	(2,953)
Other short-term timing differences	-	2,953
Adjust closing deferred tax to average rate of 19.67% (2016: 20%)	1,201	631
Adjust opening deferred tax to average rate of 19.67%	(1,120)	-
Unrelieved tax losses and other deductions	(4,440)	(9,017)
Amounts charged directly to equity	(592)	(30,000)
Current tax	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances and trading losses as there is insufficient evidence that the asset will be recovered.

The amount of the asset not recognised is £7,659 (2016: £5,680).

The asset would be recovered if suitable taxable profits were to arise in the future against which the asset could be offset.

Notes to the accounts
Year ended 31 July 2017

7. Fixed Asset Investments

	£
At 1 August 2016	69
At 31 July 2017	24

Details of companies, all registered in England, in which South Bank University Enterprises Limited holds more than 20% of the nominal ordinary share capital are as follows:

Name of company	Percentage holding of ordinary shares	Nature of business	Date of last accounts	Profit/(loss)	Reserves
				£	£
Biox Systems Limited	24%	Development of medical products	31 Oct 2016	(9,867)	208,999

8. Debtors

	2017	2016
	£	£
Trade debtors	717,547	325,203
Prepayments and accrued income	186,161	73,506
Other debtors	2,552	1,745
	906,260	400,454

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	597	13,322
Amounts owed to parent company	663,695	223,475
Other creditors	59,586	59,587
Accruals and deferred income	723,455	392,425
HMRC and pension	29,646	18,734
	1,476,979	707,543

Notes to the accounts
Year ended 31 July 2017

10. Called up share capital

	2017 £	2016 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
10 ordinary shares of £1 each	10	10

11. Movement on total reserves

	Share capital £	Profit and loss account £	Total shareholders surplus £
At 1 August 2016	10	152,619	152,629
Loss for financial year after taxation	-	(25,778)	(25,778)
Gift aid payment	-	(35,662)	(35,662)
At 31 July 2017	10	91,179	91,189

12. Related party transactions

The Company has taken advantage of the exemption which is conferred by Financial Reporting Standard number 102 that allows it not to disclose related party transactions with wholly owned subsidiaries within the group.

13. Ultimate parent company

South Bank University Enterprises Ltd is a wholly owned subsidiary of London South Bank University, a company limited by guarantee, incorporated in Great Britain and registered in England and Wales.

London South Bank University is the ultimate parent and controlling company and is the parent company of the only group of which the company is a member for which consolidated financial statements are prepared. The consolidated financial statements of London South Bank University can be obtained from 103 Borough Road, London, SE1 0AA.

	PAPER NO: xx.xx
Board:	SBUEL Board
Date:	7th November 2017
Paper title:	SBUEL Staff Bonuses
Author:	Gurpreet Jagpal Director Research, Enterprise and Innovation, and CEO South Bank University Enterprises Ltd
Recommendation:	The board is requested to review and approve bonuses to SBUEL staff for the academic year 2016/17.

The board is requested to review and approve bonuses to SBUEL staff as outlined in this paper. Alongside the justifications provide in the paper all staff have also completed appraisals through the LSBU 'My Road Map' system which further evidence the suggested bonus payments outlined.

By way of background the 'SBUEL Performance Rating Definitions' are as follows:

Rating = 1 (8%) You are one of a very small number of staff who have consistently achieved results well beyond your job responsibilities and objectives. You have also demonstrated a proactive approach in delivering additional activities or goals throughout the year. Your performance stands out as exceptional and has been recognised as such by senior management, customers and stakeholders.

Rating = 2 (4%) You have delivered the requirements of your job fully and well but have gone significantly beyond some of your job responsibilities and objectives in an accomplished manner. You have also demonstrated a flexible approach in delivering additional activities and goals you have been required to take on during the year. Your performance has enhanced the overall results of your team.

Rating = 3 (2%) You have delivered the requirements of your job **fully and well**. If you are new in a job role, you have met expectations for your level of tenure and experience, although further development may still be necessary. Where further development opportunities are identified (regardless of tenure), advice and guidance will be given to help you achieve them. This may include a formal Development Plan. Your performance has positively contributed to the achievements of your team

Rating = Underperforming (0%) You have not consistently achieved your key job responsibilities and objectives, and your performance does not currently meet expected performance standards either in one specific area or generally across the range of your job responsibilities. Your performance needs to improve to a satisfactory standard and a plan of action to achieve this will be agreed with you in a formal Development Plan.

SBUEL Staff Bonuses 2016 – 2017

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1. *Jacqueline Broome*
   PA to Director and Team Administrator

Jacqueline has had a good year with some significant challenges on a personal and professional level. There has been some improvement in diary management and team administration although I feel there is still some work to do in this area although in some cases progress has been significantly hampered by lack of systems and responsiveness of other PSGs across LSBU. Team meeting minutes and agendas are improved but again, with support from the compliance and systems team, these need to be prepped much further in advance and minutes distributed as action trackers with a day or two of the meeting. Jacqueline has had to cope with growth in the team and an increasingly difficult and busy diary for the Director – during 2017/18 working with her line manager she should look at how best to manage with this and what training and development can support her in fulfilling her role.

- Rating – 3
- Individual Performance Bonus – 2%
- Spot Bonus – £0
- Total - £580.00

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2. *Yvonne Mavin*
   Head of Compliance and Systems

Yvonne has had a fantastic year and has been a critical component in ensuring the success of REI. Her ability to tackle problems head-on, taking an authoritative role in progressing actions and keeping others on-board has ensured the success of several projects. Reporting on R&E income is much more effective and streamlined, data capture mechanisms and reporting much more accurate and the work on the London Doctoral Academy has broken new ground for LSBU. In some cases, Yvonne has had to work through difficult and challenging circumstances to achieve some remarkable results – her tenacity and commitment has supported her immensely. Alongside her core objectives, Yvonne has 'picked up' other bits of work, namely around non-compliance issues across the University, one such example is the Ethics procedure – which under her leadership has been greatly enhanced.

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total - £2,400

3. *Onye Imonioro*
   Compliance and Systems Manager

Works independently and now leads on routine management of all Ops Board and SBUEL reporting. Has improved report automation, ensured that supporting compliance systems are documented and is implementing the same approach across the wider REI team and technical specialist processes. Support for major systems changes has included research move to standard Sharepoint approval and capture of non-income generating external projects in Raiser's Edge. Systems improvement has included design for formal signoff on public benefit test, selection of contracting organisation and VAT liability. Has given additional support well beyond anticipated level of standard administrative effort to the development of the University Ethics Panel. Onye transitioned well from a very different environment and has acquired a good working knowledge of our systems and basic routines required. In terms of larger projects, she has worked on the detailed implementation of the new enterprise approval process and an initial approach to risk and the updating of R&E corporate risk registers.

- Rating – 3
- Individual Performance Bonus – 2%
- Spot Bonus – £0
- Total - £880.00

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4. *Nikki Lam*
   Compliance and Systems Officer

Competent data extraction and preparation. REI technical lead on Raiser's Edge, and has contributed significantly to the design of the structure and implementation for research proposal management and reporting that has moved formally to Raiser's Edge from the new financial year. Coaches across all REI staff to improve data quality across all systems, identifying core issues. Supportive of wider REI teams, in particular helping Student Enterprise during periods of extended staff sickness.

- Rating – 3
- Individual Performance Bonus – 2%
- Spot Bonus – £0
- Total - £450.00

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5. *Peter Benson*
   Head of Institutes

Peter has presided over the four Enterprise Institutes and personnel listed below. He has led the team to deliver collective Sales of £4.1m, £1.1m over the £3m target planned. He has lead on the continual development of the two new Institutes, overseen a series of successful Debates in each of the Schools, as well as delivering improvements in pipeline reporting and process adherence. On top of management duties, he has continued to deliver sales, bringing in £1.9m (50% of total Sales, and highest ‘earner’), specifically focused on some large scale, repeat projects such as Darzi 8, 9 and KSS, Primary Care Academies in both Lewisham and Waltham Forest and three Aspiring Nurse Director programmes. Peter has also contributed to potential business in Tianjin China, explored opportunities in India, and supported an LSBU Task and Finish group on CPD. Furthermore, he has also supported on discussions around Academic Reward and led on the development of a combined REI suite of support for academic colleagues (RED Fund). Building on the delivery of LSBU’s first, fully online MSc last year, Peter has supported in the development of a new fully online MSc in Sleep Medicine (to be launched soon). Peter has undertaken all these activities whilst managing one of the larger REI teams, and supporting SMT discussions around SBUEL 2.0.

- Rating – 1
- Individual Performance Bonus – 8%
- Spot Bonus – £0
- Total - £4,800

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6. *Natalie Gough*
   Business Development Manager

Natalie’s performance over the past FY has been very good. She is an excellent team member, dedicated, hardworking and committed to REI and LSBU. She is committed to the development of the Health and Wellbeing Institute and regularly commits many extra hours to the cause, often eating in to her evenings. The effort described has been worthwhile, with Natalie achieving her Sales target by Q3 this year, and is pushing toward attaining her stretch target. Furthermore, Natalie has developed herself, learning the Business Development process client-side, and that internally. She is exceptionally compliant and adheres to process and form. She is a pleasure to manage.

<u>Please note Natalie’s line manager’s recommendation was a bonus of 6%, CEO has suggested reducing to 4%.</u>

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total – £1,760

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7. *Monica Ganan*
   Business Development Manager

Monica has had a challenging year, being moved from Health and Wellbeing to Global Challenges with a specific remit of getting it started. Monica has taken to this challenge, and despite not shouting about her achievements, done a very good job. She developed promotional material, undertook a skills audit and used this to align LSBU to the 17 Sustainable Development Goals set by the United Nations.

Furthermore, she has also engaged with the UN directly, partnering with them to deliver their SDG London Roadshow. Monica is also in the last throes of winning an ERDF funded project (LAFIC) that will hopefully revitalize the London Food Centre – no small feat. Notwithstanding all this effort, Monica is very close to achieving her Sales target by close of Q4, again, an excellent effort given the upheaval and challenges faced in setting up a new Institute. Monica is a very easy colleague to manage, she is thoughtful, provides considered insight and is happy to learn.

<u>Please note Natalie's line manager's recommendation was a bonus of 6%, CEO has suggested reducing to 4%.</u>

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total – £1,760

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8. *Peter Hadfield*
   Business Development Manager – Sustainable Communities

Peter has had a challenging year and under delivered on all objectives, most notable Sales. By the close of Q3 he had delivered £43k out of a very low target of £130 – the lowest in the team. Various challenges have been present, but there has been limited endeavor to try new things, or grow the pipeline. What ideas do come forward never seem to progress past an informed discussion. This reality has not gone unnoticed by the Deans of School most closed aligned to Peter's work. Furthermore, there is limited adherence to internal procedures, making management challenging.

- Rating – U
- Individual Performance Bonus – 0%
- Spot Bonus – £0
- Total – £0.00

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9. *Richard Moore*
   Business Development Manager

Richard has had a mixed year. He started off as a Business Development Manager for the first part of the FY and after winning A2i moved to Project Manage its delivery. Whilst Richard hit his Sales Target of £650k (the A2i project), the pipeline was empty with no other projects near contracting, leaving SCI in a precarious position and the new Business Development Manager with a significant challenge. Whilst the Sales target was hit for this year, the lack of pipeline development has left SCI in a very weak position for FY17/18. Richard's move to PM was requested by himself, and performance has been OK. Delivery seems to be on track, but there is some concern about progress and adherence to plan, a laissez-faire style of management is not best suited for an ERDF funded project. Nevertheless, Richard is a positive team member, open to ideas, contributes to team morale, and is responsive when given tasks.

- Rating – 3
- Individual Performance Bonus – 2%
- Spot Bonus – £0
- Total – £880

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10. *Colin Stakem*
    Business Development Manager

Colin has had a very encouraging start in his new role. He has made good progress in engaging with academics, and indeed the wider REI team. He also performed in terms of sales, delivering £50ks worth in the first 4 months of his tenure. In addition, he has brought a keen focus on business development to the team, thanks to his corporate background. This will be a welcome addition to the team and benefit culture. Indeed, this has already been highlighted as a positive by both Natalie Gough and Chloe Hampton. Most encouragingly, he is already being proactively incorporated in to School activity, highlighting the respect and influence he's managed to gain already. I have high hopes Colin will succeed in building SCI, putting it back on par with Health and Wellbeing, if not ahead.

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total – £716.67

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11. *Gemma Wan*
    Project Manager

Gemma has made an excellent start to her time at LSBU. She readily got to grips with the SimDH project and has since improved the vision, operation and delivery of the programme. She has a keen eye for detail, and the capability to think strategically. Her attention to detail is excellent and she understands all the ERDF requirements, operating within the confines of EU regulation, but having the foresight and wherewithal to adapt the programme where possible to help improve it. She has shown great willingness to engage with the academic community and indeed the external environment. This has resulted in positive outcomes for the programmes, already delivering over 20 interventions with Digital Health SMEs, well above target. Gemma has high potential for growth within SBUEL.

<u>Please note Gemma's line manager's recommendation was a bonus of 6%, CEO has suggested reducing to 4%.</u>

- Rating – 2
- Individual Performance Bonus – 3%
- Spot Bonus – £0
- Total – £1003.33

12. *Sam Thorp*
    Business Development Officer

Sam had an excellent year with REI, culminating in the 'REI Colleague of the Year' award and being nominated for the Staff Awards under the Customer Service category. Sam was exceptionally diligent, accurate, thoughtful and bright. He was a great team player and was always willing to help across the wider team, noted in the development of the REI manual, Business Development Dashboards, supporting Student Enterprise understand their data and troubleshooting various technical challenges for colleagues. His development of our Financial Tracking system was a massive bonus and helped the Institutes keep track of project finances; ensuring REI are efficient in collection income. Sam is a fantastic team member and a pleasure to manage. His professionalism and skills are a great benefit to the team, often letting him step in for the Head of Enterprise Institutes at various meetings.

<u>Please note Sam's line manager's recommendation was a bonus of 6%, CEO has suggested reducing to 4%.</u>

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total – £990

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13. *Chloe Hampton*
    Business Development Officer

Chloe has performed well throughout the year. A great deal of time has been invested in her development, trying to realize untapped potential. She has stepped up with regard to Sales, bringing in £250k; £100k over target, something that shouldn't be underestimated. She is very considered, intelligent and passionate about the work she is doing (refugees and sustainability), however there is still some support required in improving professionalism and 'dominance'. The former is focused on doing jobs she doesn't want to, the latter about releasing potential. In this regard, it is positive to see her take so well to the coaching provided by DTC Associates as well as the 1-day courses provided by LSBU ODST. Overall Chloe is a pleasure to manage and is a positive team member, both in terms of team morale and every-day activities.

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total – £1,080

14. Neil Pearce
Head of Knowledge Exchange Institute

Neil has had another good year despite having to rebuild a new team and deal with changes from the KTP funder, Innovate UK. Although behind target for KTPs, the institute has performed well in establishing LSBU as the 2nd leading modern for KTPs. Work around KE Vouchers has progressed well and Neil has firmly established another KE product that can be offered as an alternative to KTPs. Neil has done well in coaching one member of his team but faced challenges with the other that has hampered the Institutes performance and progress against objectives.

- Rating – 2
- Individual Performance Bonus – 2%
- Spot Bonus – £0
- Total - £1,060

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15. Baljinder Ghoman
KTP Manager

During the financial year 2016/17 Bal has achieved his KTP target despite significant changes to the submission process. Bal has been instrumental in developing a management system for the submission process which has allowed for a more cooperative engagement from academics. Bal has also developed excellent client relationships which has allowed him to sell a consulting project in addition to a KTP with a client who is now considering how they can involve LSBU on an ongoing basis. Bal has also rolled out his methods and ideas for development business development management across the wider enterprise team. As recognition for his input Bal was selected for a funded leadership programme.

<u>Number of KTPs</u>
Submitted Accepted 3 revenue circa £520000
Submitted rejected 0
Rejected pre submission 0
Active pipeline 2
Other projects 1, revenue £95k

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total - £1,760

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16. Ashutosh Choubey
KTP Manager

Ashu has made no progress since his forst year and as such has not delivered any sales. He does not have a good grasp of what we need to do and has very little attention to detail. Ashu’s other areas of work such as organising conferences and leveraging his potential client base foir KTPs into other areas of collaboration have also failed to deliver any results.

<u>Number of KTPs</u>
Submitted Accepted 0
Submitted pending 1
Submitted rejected 2
Rejected pre submission 3
Active pipeline 2

- Rating – U
- Individual Performance Bonus – 0%
- Spot Bonus – £0
- Total - £0

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17. *Daisy Chatterton*
    Head of Strategic Projects

Daisy has had a fantastic year cementing her position as Head of Strategic Projects and building some excellent links with the GLA that has seen LSBU's reputation (and success) grow. Under her leadership, the team has grown in its ability to win and deliver projects, showing significant increases year on year on both bid submissions and wins. More recently Daisy has begun to investigate and submit proposals outside of ESIF – which will be an important area of growth for the University.

- Individual Performance Bonus – 8%
- Spot Bonus – £0
- Total - £3,648

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18. *Nicoletta Bonansea*
    EU Bids and Partnerships Manager

Nicoletta has had a short but excellent year. On returning from maternity leave in February she has shown remarkable dedication and has led on a number of successful bid submissions. She has worked well with colleagues across REI and Academics in the schools to produce results for the team and for REI. She has a very methodical approach to work which is well received by the immediate team and across the department. She has also taken on additional project management responsibilities on a particularly challenging project which a range of EU partners. This has involved improving her negotiation skills and also some matrix management which is fairly new to her. She has faced any issues head on and has really made progress in this area. For an outstanding contribution to the bid pipeline and for going over and above what was expected in terms of her personal commitment to getting the job done. She submitted 2 large Erasmus + bids within weeks of each other which involved formalising, in one case, a 14-strong partnership. Although the bids were unsuccessful she showed a great deal of determination and commitment to getting the bids in considering there were 4 other significant bid submissions running at the same time which she was also expected to contribute to.

Please note Nicoletta's line manager's recommendation was a 1 rating and 8% bonus, CEO has suggested reducing to rating 2 and 4%.

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total - £1,760

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19. *Lee Harvey*
    Assistant Project Manager

Lee has had a really good year. He has stepped up in his role and successfully taken on the claims for all four live ERDF projects. This has involved developing new systems and procedures working with the finance and delivery teams. Claims have been submitted on time and the quality has been noted by the team at EPMU. Additionally, preparation and follow up for the EPMU checks has been outstanding and again this has been noted by the team at EPMU. In addition to claims and contract management work, Lee has successfully mobilised 2 new contracts with Newham College and Lewisham Borough Council. His work in this area has been exemplary and he has shown dedication and commitment since the start of the contracts acting as a driving force and creating best practise in delivery and contract management. He has developed new skills around creating complex budgets for large grant funded applications. This is an area where he continues to improve and is proving an invaluable addition the skills set of the team. We have outlined new objectives for the coming year and I very much look forward to working with Lee to see continued improvement in his contract and project management but also his contribution to bid development. For his contribution to the successful delivery of Investment Escalator. Once the project systems and processes were in place Lee stepped up and took control of making sure claims were managed and a full audit trail was in place. He was also responsible for making sure the team knew what they needed to do and by when and was relentless in his pursuit of overall project targets. Lee also worked very hard on getting the financials together for the 4 new ERDF proposals.

- Rating – 1
- Individual Performance Bonus – 8%
- Spot Bonus – £0
- Total - £2,800

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20. *Richard Howarth*
    Senior Marketing Officer

Richard has had a really good year and contributed significantly to the success of the team in a number of different ways. For LSBU's ERDF projects he has led on the development of the brand, websites, comms plan and collateral. This in the main has been very well received by the delivery team and Richard has worked hard to develop positive working relationships with the institutes to ensure the highest quality product is delivered. Outside of LSBU led ERDF projects Richard has worked on developing a website for DEK growth programme which has been very well received by the partnership. He is also supporting on marketing for Enterprise Steps but in a much more limited capacity as Newham are competent partners which a good deal of experience in delivering ERDF and are leading on marketing. A large part of his work this year has been supporting on awards submissions notably the THE awards for which LSBU won THE Entrepreneurial University of the Year award. Richards contribution to this has generated a lot of additional work which he has taken on and managed well including a video which was complemented at executive level. He has led on the delivery of a celebration night for the team and also subsequent away day activities all of which have received excellent feedback. In addition to all of the above Richard has created a number of other websites for projects which is an incredibly useful skills addition to the team. He has also assisted with the delivery of marketing related workshops on ERDF and feedback from participants has been very positive with his workshops ranking very high amongst both internally and external trainers. This is not an exhaustive list of Richards achievements which in itself shows the range of projects he has delivered on this year to a very high standard.

- Rating – 1
- Individual Performance Bonus – 8%
- Spot Bonus – £0
- Total - £2,720

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21. *Kajal Gotecha*
    Project Administrator

Kajal left London South Bank University (LSBU) on 20th September 2017. Up until that point, she was a hardworking and important member of the Strategic Projects team. She should especially be commended for her fantastic work on developing a workshop cohort across our internal Momentum programme and our European Regional Development Fund (ERDF) projects, building strong relationships with LSBU's academic community and the external small and medium-sized enterprises (SMEs) who take part in these projects. She also deserves praise for the putting together a number of ERDF successful claims across the past year, including two clams that were cited during an audit portion of presentations at an ERDF networking session. These claims were praised and it was confirmed that LSBU were the only project leads to not have any expenditure deemed at risk following the audit of one of our claims. This is a testament to the detail and work that Kajal has put in to the ERDF claims process. I would like to recommend her for a 4% bonus as recognition of her efforts and hard work over the prior year.

- Rating – 2
- Individual Performance Bonus – 4%
- Spot Bonus – £0
- Total - £1,040

SBUEL

Bonus Recommendations and Calculation 1st August 2016 to 31st July 2017

Team/Name	Job Title	Start Date	End Date	Salary	Time Eligible for Bonus (months)	Performance Bonus 0% - 8%	Performance Bonus £	Collective Bonus	Spot Bonus	Total Bonus	
General:											
Jacqueline Broome	PA to Director	06/07/2015	Perm	£29,000.00	12	2.00%	£580.00	n/a	£0.00	£580.00	
										£580.00	
Compliance and Systems											
Yvonne Mavin	Head of Compliance and Systems	01/08/2015	31/12/2017	£60,000.00	12	4.00%	£2,400.00	n/a	£0.00	£2,400.00	
Onyemaechi Imonioro	Compliance and System Manager	21/09/2015	Perm	£44,000.00	12	2.00%	£880.00	n/a	£0.00	£880.00	
Nikki Lam	Compliance and System Officer	17/10/2016	Perm	£27,000.00	10	2.00%	£450.00	n/a	£0.00	£450.00	
										£3,730.00	
Insitutues											
Peter Benson	Head of Institutes	01/05/2015	04/09/2017	£60,000.00	12	8.00%	£4,800.00	£0.00	£0.00	£4,800.00	
Natalie Gough	Business Development Manager	12/06/2015	Perm	£44,000.00	12	4.00%	£1,760.00	£0.00	£0.00	£1,760.00	
Monica Ganan	Business Development Manager	01/09/2015	Perm	£44,000.00	12	4.00%	£1,760.00	£0.00	£0.00	£1,760.00	
Peter Hadfield	Business Development Manager	01/11/2013	Perm	£44,000.00	12	0.00%	£0.00	£0.00	£0.00	£0.00	
Richard Moore	Business Development Manager	01/08/2015	06/10/2017	£44,000.00	12	2.00%	£880.00	£0.00	£0.00	£880.00	
Colin Stakem	Business Development Manager	20/03/2017	Perm	£43,000.00	5	4.00%	£716.67	£0.00	£0.00	£716.67	
Gemma Wan	Project Manager	09/01/2017	Perm	£43,000.00	7	4.00%	£1,003.33	£0.00	£0.00	£1,003.33	
Sam Thorp	Business Development Support Officer	17/08/2015	23/06/2017	£27,000.00	11	4.00%	£990.00	£0.00	£0.00	£990.00	
Chloe Hampton	Business Development Support Officer	01/09/2015	Perm	£27,000.00	12	4.00%	£1,080.00	£0.00	£0.00	£1,080.00	
Nicola Bourke	Business Development Support Officer	14/08/2017	Perm	£27,000.00	0	0.00%	£0.00	£0.00	£0.00	£0.00	
Anam Farooq	Project and Event Coordinator	01/08/2017	Perm	£30,000.00	0	0.00%	£0.00	£0.00	£0.00	£0.00	
										£12,990.00	
Knowledge Exchange											
Neil Pearce	Head of KE	01/05/2015	Perm	£53,000.00	12	2.00%	£1,060.00	£0.00	£0.00	£1,060.00	
Baljinder Ghoman	KTP Manager	01/02/2016	Perm	£44,000.00	12	4.00%	£1,760.00	£0.00	£0.00	£1,760.00	
Ashutosh Choubey	KTP Manager	01/02/2016	Perm	£44,000.00	12	0.00%	£0.00	£0.00	£0.00	£0.00	
										£2,820.00	
Strategic Projects:											
Daisy Chatterton	ERDF Investment Escalator Project Manager	01/09/2014	Perm	£45,600.00	12	8.00%	£3,648.00	n/a	£0.00	£3,648.00	
Nicoletta Bonansea	EU Bids & Partnership Manager	14/09/2015	Perm	£44,000.00	12	4.00%	£1,760.00	n/a	£0.00	£1,760.00	
Lee Harvey	Asst. Project Manager	14/04/2015	Perm	£35,000.00	12	8.00%	£2,800.00	n/a	£0.00	£2,800.00	
Richard Howarth	Sr. Marketing Officer - Strategic Projects	16/03/2015	Perm	£34,000.00	12	8.00%	£2,720.00	n/a	£0.00	£2,720.00	
Kajal Gotecha	Project Administrator ERDF Project	04/04/2014	20/09/2017	£26,000.00	12	4.00%	£1,040.00	n/a	£0.00	£1,040.00	
										£11,968.00	
Bonus % Key:											
							£32,088.00	**£0.00**	**£0.00**	**£32,088.00**	
Unacceptable	U - 0%										
Satisfactory	3 - 2%									**Employer NI:**	**£36,516.14**
Good	2 - 4%										
Outstanding	1 - 8%										