

Meeting of South Bank University Enterprises Limited

11.00 am on Thursday, 13 October 2016
in DCG-07 - Clarence Centre for Enterprise and Innovation

Agenda

| No. | Item | Pages | Presenter |
|-----|---|---------|-----------|
| 1. | Welcome and apologies | | PI |
| 2. | Declarations of interest <ul style="list-style-type: none"> • <i>Directors are requested to declare any interest in any item of business</i> | | PI |
| 3. | Minutes of the last meeting <ul style="list-style-type: none"> • 25 July 2016 | 3 - 8 | PI |
| 4. | Matters arising | | |
| | Business Matters | | |
| 5. | CEO's report | 9 - 24 | GJ |
| 6. | Draft financial statements, 2015-16 | 25 - 40 | RW |
| 7. | Debtors report | 41 - 44 | RW |
| 8. | Proposals on SBUEL | 45 - 46 | PI |
| 9. | Review of current REI staff contracts | 47 - 50 | GJ |
| | Governance | | |
| 10. | Annual Board business plan | 51 - 54 | JK |
| 11. | Matters reserved for the Board | 55 - 60 | JK |
| 12. | Any other business | | PI |

Date of next meeting
3.00 pm on Tuesday, 15 November 2016

Members: Paul Ivey (Chair), Richard Flatman, Gurpreet Jagpal and Hilary McCallion

In attendance: Michael Broadway, Joe Kelly, Rebecca Warren

This page is intentionally left blank



Minutes of a Meeting of the Board of Directors
South Bank University Enterprises Ltd
held at 3pm on Tuesday 25 July 2016
Room 1B05, Technopark, London, SE1

Present

Paul Ivey Chair
Gurpreet Jagpal
Hilary McCallion

Apologies

Richard Flatman

In attendance

Michael Broadway Deputy University Secretary
Rebecca Warren Accountant for South Bank University Enterprises Ltd.

Welcome and apologies

1. The Chair welcomed the Hilary McCallion to her first meeting.
2. The above apologies were noted.

Declarations of interest

3. No interests were declared in any item on the agenda.

Minutes of the previous meetings

4. The Board approved the minutes of the meeting of 8 March 2016.

Matters arising

5. The Board noted that following advice from the auditors, Grant Thornton, HMRC was not expected to retrospectively apply new Charity Commission guidance on gift aid payments (minute 13 of 8 March 2016).
6. The Board discussed whether a late payments policy for tenants was required (minute 9 of 8 March 2016). It was noted that a regular report on bad debts was reviewed by the Board. It was agreed that more commentary would be provided in the report on what action was being taken for debts over 60 days old. The

Board requested a breakdown of the debtors report for the November meeting by:

- a. Current tenants;
- b. Ex-tenants;
- c. Conferences; and
- d. Others, including those who may be partners of the University.

7. The Board noted that the review of staff salaries was ongoing (minute 14 of 8 March 2016).

CEO's report

8. The Board discussed the CEO's report (paper UE.06(16)), which included updates on an analysis of the enterprise pipeline, the enterprise institutes, tenants, and compliance and systems.

9. The Board discussed target setting for enterprise income. A review of income targets by School would be provided for the next meeting.

10. The Board noted the planned official opening of the Business Solution Centre in October 2016.

11. The Board requested the CEO review whether to hire office space in the Clarence Centre by the hour.

12. The Board requested the CEO review whether an independent expert should be appointed to the University Ethics Panel.

13. The Board noted that Research, Enterprise and Innovation had been shortlisted for the National Business Awards.

Management accounts to 31 May 2016

14. The Board noted the management accounts to 31 May 2016 (paper UE.07(16)), which showed a forecast profit of £206k against an original starting position of a £20k deficit budget.

Debtors report

15. The Board noted the debtors report (paper UE.08(16)). It was agreed to serve a legal notice on Protimos and Self Energy for non-payment.

Budget, 2016/17

16. It was noted that the budget for 2016/17 had not yet been finalised. The final version would be circulated via email to directors for approval under article 10.

Composition of Board and future appointments

17. The Board discussed the changes to the governance of the company which had been approved by the LSBU Board of Governors at its meeting of 17 March 2016.

18. The Board noted its revised composition as:

- a. The Pro Vice Chancellor (Research and External Engagement) - Chair;
- b. An independent governor of LSBU;
- c. The Chief Financial Officer;
- d. The Director of Enterprise;
- e. Up to three non-executive directors; and
- f. Up to three Deans.

19. The Board discussed the purpose of the company and future opportunities. It was agreed to review proposals on the function, name of the company, and the skills required on the Board at its next meeting ahead of any proposals going to the LSBU Board of Governors in March 2017.

Any other business

20. The Board noted that the historic loan to BBM had been repaid.

21. The Board requested an update on the company's shareholdings at its next meeting.

22. The Board noted that Gurpreet Jagpal had been appointed Chair of Enterprise Educators UK from 1 August 2016. The Board noted that it had previously authorised Mr Jagpal's appointment as a director of Enterprise Educators UK.

Date of the next meeting

23. The date of the next meeting was noted as Thursday 13 October 2016 at 11am.

The Chair closed the meeting.

Approved as a true record:

..... Chair

This page is intentionally left blank



Committee Action Points

10 October 2016

11:54:54

| Committee | Date | Minute | Action | Person Res | Status | |
|-----------|----------|--------|---|------------|---------------------------------------|---|
| Board | 25/07/16 | 6 | Breakdown of the debtors report for the November meeting | CEO | On agenda | <input checked="" type="checkbox"/> Completed |
| Board | 25/07/16 | 9 | Review of income targets by School for the next meeting. | CEO | CEO report | <input checked="" type="checkbox"/> Completed |
| Board | 25/07/16 | 11 | Review whether to hire office space in the Clarence Centre by the hour. | CEO | CEO report | <input checked="" type="checkbox"/> Completed |
| Board | 25/07/16 | 12 | Review whether an independent expert should be appointed to the University Ethics Panel. | CEO | | <input type="checkbox"/> Completed |
| Board | 25/07/16 | 15 | Legal notice on Protimos and Selfenergy for non-payment | CEO | On agenda | <input checked="" type="checkbox"/> Completed |
| Board | 25/07/16 | 16 | Circulate 2016/17 budget for approval | CEO | Approved by email on 7 September 2016 | <input checked="" type="checkbox"/> Completed |
| Board | 25/07/16 | 19 | Review proposals on the function, name of the company, and the skills required on the Board at meeting of 13 October 2016 | Chair | On agenda | <input checked="" type="checkbox"/> Completed |

Page 7

This page is intentionally left blank

Agenda Item 5

| | |
|------------------|--|
| | CONFIDENTIAL |
| Paper title: | CEO Update Paper |
| Board/Committee: | South Bank University Enterprises Ltd |
| Date of meeting: | 13 October 2016 |
| Author: | Gurpreet Jagpal Director Research, Enterprise and Innovation, and CEO South Bank University Enterprises Ltd. |
| Purpose: | For information only – provide an update on SBUEL and Enterprise Activity. |
| Recommendation: | The Board is requested to review |

1. Financial Summary

The Enterprise Budget for the financial year 2016/17 is **£11,537,974**. This is made up of targets as follows:

Table 1: Budgeted enterprise income by School

| Area | Other Enterprise | International | Target |
|----------------------|---------------------|--------------------|---------------------|
| ACI | (24,996) | (90,000) | (114,996) |
| ASC | (178,924) | | (178,924) |
| BUS | (167,949) | (631,725) | (799,674) |
| BEA | (333,500) | (290,000) | (623,500) |
| ENG | (409,412) | (475,004) | (884,416) |
| HSC | (4,175,220) | | (4,175,220) |
| LSS | (235,144) | (46,673) | (281,817) |
| REI | (2,695,788) | | (2,695,788) |
| CON | (109,800) | | (109,800) |
| LLR | (2,719) | | (2,719) |
| MRA | (1,000) | | (1,000) |
| Internationalisation | (87,550) | | (87,550) |
| Residences | (891,996) | | (891,996) |
| Academy of Sport | (640,570) | | (640,570) |
| Development Projects | (50,004) | | (50,004) |
| TOTAL | (10,004,572) | (1,533,402) | (11,537,974) |

Financial Accounts were not prepared for August month 1 and are not yet available for September month 2 at the time of preparing this paper.

2. Overview of Enterprise Performance

Tables are based on performance at the end of August 2016.

Table 2: Sales pipeline

| School | Number | Value | | Likely value achieved | |
|--------|--------|----------|---------|-----------------------|---------|
| | | £ | % share | £ | % share |
| ACI | 5 | £357,000 | 2% | £115,500 | 3% |
| ASC | 13 | £686,700 | 4% | £71,850 | 2% |
| BCM | 3 | £73,400 | 0% | £12,580 | 0% |

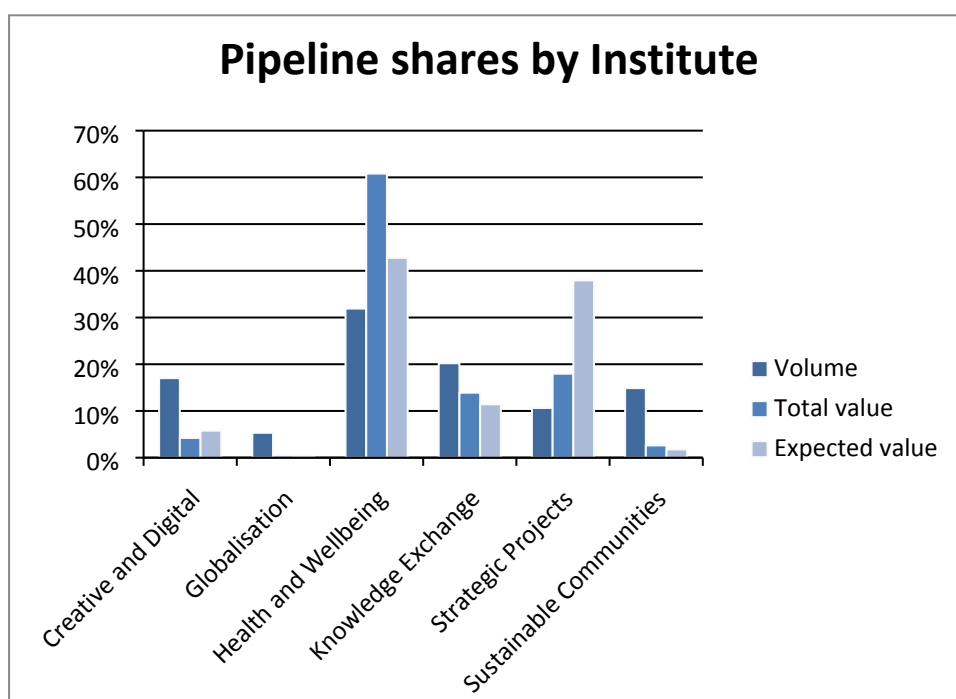
| | | | | | |
|--------------|-----------|--------------------|-------------|-------------------|-------------|
| BEA | 10 | £701,458 | 4% | £152,229 | 4% |
| ENG | 14 | £1,090,257 | 6% | £207,206 | 5% |
| HSC | 25 | £11,038,642 | 63% | £1,687,270 | 44% |
| LSS | 7 | £373,897 | 2% | £71,089 | 2% |
| Others | 17 | £3,332,135 | 19% | £1,485,217 | 39% |
| Total | 94 | £17,653,489 | 100% | £3,802,941 | 100% |

Projected conversion by value is 22% which is consistent with historic performance.

Table 3: Analysis of new sales via REI

| | YTD 2016-17 | | | | | | 2015-16 |
|--------------|-------------|-----------------|-------------|-----------------|--------------|------------|----------------|
| | Closed won | | Closed lost | | Conversion % | | Closed won |
| | Volume | Value £ | Volume | Value £ | Volume | Value | Value £ |
| ACI | | | | | | | |
| ASC | | | 11 | £59,000 | 0% | 0% | |
| BCM | 1 | £36,000 | 4 | £42,500 | 20% | 46% | |
| BEA | | | 1 | £10,878 | 0% | 0% | |
| ENG | 2 | £259,924 | | | 100% | 100% | |
| HSC | | | 5 | £558,440 | 0% | 0% | £86,849 |
| LSS | | | | | | | £2,000 |
| Others | 1 | £2,400 | | | 100% | 100% | |
| Total | 4 | £298,324 | 21 | £670,818 | 16% | 31% | £88,849 |

Table 4: View of pipeline by Institute



This initial analysis by Institute is through manual allocation of records. We are implementing Raiser's Edge and Cognos reporting changes that will allow this data to be analysed as standard in the future.

3. Review by enterprise income generating department:

5.1 Health and Wellbeing Institute

- Focus around building post-graduate online provision for SHSC with commercial partner (CCH) in order to overcome capacity and geographical issues – improve scalability.
- Scoping a large scale project (c.£1m) for Northwest London around leadership in complex systems. This is in collaboration with the local Clinical Support Unit.
- Market research being undertaken in China to assess potential for International Business (IB) and on-going discussions with Tianjin municipality.
- Visit being undertaken to India to discuss the possibility of 'importing' Indian nurses to the UK. In collaboration with the local Government of Kerala and – potentially – a private Healthcare provider (Ramsay).
- Imminent signing of the £600k Simulation for Digital Health ERDF project

5.2 Sustainable Communities Institute

- Imminent signing of the £600k Access to Innovation ERDF project
- Energy Transitions project kicks off – valued at £61k. The project objectives are to assess the technical feasibility of developing a new range of high efficiency Air Source Heat Pumps supplying renewable heating and cooling in both domestic and commercial buildings.
- New prospects include:
 - £45k with Network rail to research and develop a soil stabilization system for peaty soils under railway foundations in the East Anglian region in particular.
 - Initial consultancy with Meggitts Avionics – probably only £2k to start with but it's a start.
 - £114k Innovate UK application for funding with ICAX for a BEN toolkit/ dissemination project
 - Significant relationship building has been undertaken to help exploit the DARlab

- Effort is being put in to working with Vodafone, and work is in progress to quote for a project appraising their sustainability reporting.

5.3 Creative and Digital Economy Institute

- Scope and activity being mapped to understand LSBU capability in the sector
- Linking with Lambeth to support and engage with their Creative and Digital Industries study – looking at inward investment to support sector in the local area.
- Website and marketing content being developed

5.4 Global Challenges Institute

- Discussions with Deans to ascertain input in to the new Institute. Name changed to Global Challenges (from Global Responsibilities)
- University wide (internal) event planned to scope local assets related to GC and interest in participation
- Formal Advisory board being scoped to support in the development of the Institute strategy and activity
- Content for website being developed

5.5 Strategic Projects

- 4 ERDF (2 LSBU as lead, 2 LSBU as delivery partner) contracts are in final stages of negotiations. Total project value £3.6m (ERDF £1.8m). Contracts will run until Qtr 2 2020. All 4 Funding Agreements are expected to be signed by end October 2016.
- ESF Careers Clusters contact in final negotiation with Lambeth Council. Total value circa £60K
- Projects being developed for submission to British Council re entrepreneurship education and leadership in healthcare.
- Bid recently submitted to Mayors Digital Talent Programme, work being undertaken to position LSBU as key supplier in future strands of the programme.

5.6 Knowledge Exchange Institute

- One new KTP has been awarded and two rejected. The pipeline remains strong despite the issues relating to Innovate UKs new process and criteria. There are currently another two definite submissions for

November and three as WIP for either November or January submission dates depending on client and academics commitment.

- Current live KTP summary project description:
 1. FirstCo
 To develop virtualised platform for application of Supervisory Control and Data Acquisition in strict safety and security regulatory markets. Demonstrate integration capability of the same.
 Status: Excellent progress with additional value being added over and above anticipated with the company already seeing ROI. Discussions with client on-going for more work (KTP, Horizon, student projects).
 2. Redrose: To develop a mobile IT platform to improve resource utilisation through real-time operational and situational awareness and control. Improve productivity (reduced time/cost) and enhanced service delivery.
 Status: currently recruiting Associate
 3. Open Date Equipment: To re-engineer the electronic hardware and software using the state of the art electronic components and software to ensure that the next generation of thermal transfer printers are industry compatible.
 Status: On schedule (due to complete in 12 months) although issues with client being in arrears on payments to LSBU.
 4. Eppendorf Cyrotech: To develop a new design for freezer cabinet and outer door interface seals to optimise both thermal transfer and insulation efficiency, developing in-house specialized material selection and processing knowledge as an integral part of the KTP.
 Status: Final report completed and submitted.

Table 5: Overview of key KTP projects in development @ 23rd September 2016

| Status | Client | School | BDM | Lead & Support Academic | KTP Advisor | End date or submission date | Comments |
|------------------------------------|----------------------|---------|--------------|----------------------------|------------------|-----------------------------|--|
| WIP with targeted submission dates | RICS | BEA | Bal Ghoman | Steve Pittard | Terry Corner | Nov-16 | Meeting set with advisor |
| | Tender Nurseries | Eng | Bal Ghoman | Shushma Patel, Andy Lemon, | Anne Hartnell | Nov-16 | Preparing submission |
| | Footprint Scenery | ACI | Bal Ghoman | Uzzie Jackson, Andy Loemon | Terry Corner | Jan-17 | Developing initial brief |
| | Kelvion | BEA | Ashu Choubey | Graeme Maidment | Steven Woodhouse | Nov-16 | Re working for resubmission |
| | Academy Class | Eng | Bal Ghoman | Alessio Corso & Aziz | Terry Corner | Jan-17 | Failed so re-working on upgraded project deliverables |
| Oehter key W.I.P | Demand Logic | Eng | Ashu Choubey | Sandra Dudley-Moore | | | Interested to apply for KTP in Jan 2017. |
| | Fundsurfer | Eng/ACI | Neil Pearce | Tasos Daqing Cehn | | | Prepare EOI for Terry |
| | Signature Flatbreads | APS | Ashu Choubey | Chris Brock | | | Second meeting to be scheduled. NP to chase. Client gone quiet |
| | Nicholas & Harris | APS | Ashu Choubey | Chris Brock | | | Looks like will be on hold till next FY |

- Since agreeing the KE Voucher bursary for doctoral students (non-staff), five bursaries have been approved. Plans are in place to target companies we want to work with and match them to PhD students.

- Plans for executive education development continue with on-going talks with professional bodies to have courses accredited.

5.7 Tenants

- Clarence Centre is 95% occupied (lettable space is impacted by Legal Advice Centre). The Legal Advice Centre has expanded to include the Business Solutions Centre and planning has started to house Enterprise for London (a project partner) for a day a week and to host counselling sessions on behalf of Health & Social Care.
- The Technopark is currently 94% occupied and the Blackwell's site has one tenant already in situ and a further two offices under offer. Both sites should be considered at risk during this academic year due to Estates planning and campus regeneration.
- We are currently talking to Barratt's for their development at St George's Circus and CBRE about their development at 251 Southwark Bridge Road which would add approximately 50,000 square feet to the property portfolio for lettings with an expectation to sign heads of terms by the next Board meeting.
- Business Rate changes set to be implemented in April 2017 will see an increase of the rates liability of 100% across both Clarence Centre and Technopark; this will be offset by an increase in the set level of when relief can be applied for to £12,000. The team will work to minimise the impact through applying for all available reliefs on the lettable space. Current indications are that 75% of office space will be taken off the Rates Register but a full breakdown will be provided for the next meeting.

4. Entrepreneurship and Innovation Institute

- We will be building on work in 15/16 to deliver enterprise activities across LSBU's 7 Schools, working alongside academic staff to embed enterprise in the curriculum.
- The Spark and GES programmes are currently recruiting for student participants and will be launching in October/November 2016
- We will be leading LSBU's activity around Global Entrepreneurship Week (w/c 14th November 2016) with a pop-up market, events and workshops taking place on campus
- We recently won the award for [Outstanding Emerging Entrepreneurship Centre](#) at the [Global Consortium of Entrepreneurship Centres](#) Conference 2016 in Rochester, USA: over 20 universities who applied for the award and we were one of only two winners.

5. Compliance and Systems

- We are working with GovLegal, International Office and Teaching Quality and Enhancement to apply the Enterprise Approval process to Overseas Partnerships where we recognise there are significant issues with contracting/control of income.
- The shared guide to Research and Enterprise income generation for academics will be formally launched week 2 October. Developing this guide has been a major project working with finance, enterprise and research staff and has involved the formalisation and design of many sub-processes; for example NDA now has a standard template and authorised delegation of signature beyond the university's standard contractual authorities.
- We have designed an approach that will allow us to provide pipeline income forecasting by future financial year. The brief was agreed with our ICT Business Partner on 4th August, and we are waiting to progress this.

Appendix 1: Definitions of enterprise income

This table is published in the new R&E guide to income generation for academics and is the key reference for REI and Finance staff. It aims to give clarity around income categorisation. Historically confusion has tended to result in income being categorised as Research rather than Enterprise for contract research for public bodies/charities and Innovate UK.

| Financial accounts category | Description of income included in category | Contracting organisation* |
|------------------------------------|---|---|
| Knowledge Exchange | Specifically agreed KT projects with both an external funder and a non-academic external partner where the funder is not RCUK or equivalent EU organisation. <i>Example: all direct contracts with InnovateUK; Erasmus.</i> | LSBU or SBUEL Using SBUEL requires approval from Deputy Head of Financial Planning and Reporting |
| Contract Research | 'Original investigation undertaken in order to gain knowledge and understanding' in response to a client brief. Clients include the public sector and charities and are not restricted to commercial organisations. <i>Example: 1)European Air Safety Authority tender 2) Innovate UK voucher awarded to client</i> | LSBU or SBUEL Using LSBU requires approval from Deputy Head of Financial Planning and Reporting |
| Consultancy | Existing knowledge, though it may be innovatively applied. Consultancy does require the input of academic expertise <i>Example: market research survey for RCUK</i> | LSBU or SBUEL Using LSBU requires approval from Deputy Head of Financial Planning and Reporting |
| Letting of Facilities | All external letting income excluding tenants <i>Example: 1) Lab facilities including the cost of the technician support 2) All film location including cost of project/technical management 3) Percentage share income from courses delivered by an external contractor without a direct charge for a room</i> | SBUEL (LSBU retained for possible use for student entrepreneurs) |
| Property Rental | Tenant income from all university premises | SBUEL |

| | | |
|---|--|---|
| Short Courses | Short courses without accreditation regardless of length. Professional qualifications delivered from other organisations regardless of length <i>Example: RIBA architecture part 3</i> | LSBU or SBUEL depending on course client and objectives Using SBUEL requires approval from Deputy Head of Financial Planning and Reporting |
| Regeneration Programmes | Investment in economic, physical and socially beneficial projects <i>Example: 1) ERDF, ESF 2) local Council support for sports centre frontage rebuild</i> | LSBU or SBUEL Discuss options with Deputy Head of Financial Planning and Reporting |
| Intellectual Property | Patent, copyright, design, registration and trademarks | LSBU or SBUEL Discuss options with Deputy Head of Financial Planning and Reporting |
| Overseas Partnerships | Validation and accreditation and related teaching | LSBU |
| University Accredited Courses | Corporate cohorts <i>Example: PG Cert. in Civil Society for London Housing Foundation</i> | LSBU |
| Events & Conferences | Any event or conference where there is chargeable income generated through entry fees to individuals or through a contracted client/partner relationship. | LSBU or SBUEL Using LSBU requires approval from Deputy Head of Financial Planning and Reporting |
| Other Income Generating Activities | <u>Before</u> using this category please check with Compliance team that this is correct as this category is rarely required | LSBU or SBUEL Using LSBU requires approval from Deputy Head of Financial Planning and Reporting |
| Enterprise Support | Higher Education Innovation Funding | LSBU |
| Student Enterprise | <i>Example: 1) Ignite IP win 2) Delivering paid for student workshops</i> | LSBU |

*We have identified the relevant contractual organisation for each category of enterprise. Where the use of one organisation is generally dominant in the particular enterprise category then use of the minority organisation requires approval from Finance.

Appendix 2: Enterprise Pipeline at end August 2016

| School/Department | Project Name | Client | Category | Project value | Likelihood % | Likely project value |
|-----------------------------|--|--|------------------------|-----------------|--------------|----------------------|
| ACI - Film & Media | Actors Film Lab | ENTR General Business Development Opportunities PH | Short Courses | £6,200 | 50 | £3,100 |
| ACI - Arts & Performance | Rough Fiction | ENTR General Business Development Opportunities PH | Short Courses | £10,800 | 50 | £5,400 |
| ACI - Film & Media | Interactive documentary apps. | Tomas Rawlings Bristol Games Hub | Contract Research | £200,000 | 50 | £100,000 |
| ACI - Creative Technologies | Design and build a fully VR integrated portable Blackbox | Footprint Scenery Ltd | Knowledge Exchange | £140,000 | 5 | £7,000 |
| ACI - Film & Media | LSBU Arts Festival 2016 | ENTR General Business Development Opportunities PH | Events And Conferences | £0 | 10 | £0 |
| Total ACI | 5 | | | £357,000 | | £115,500 |
| APS - Food Sciences | | Mr Bagels Ltd | Knowledge Exchange | £140,000 | 10 | £14,000 |
| APS - Psychology | H308_AppRes_The Nehemiah Project_Addiction | Nehemiah Project | Contract Research | £10,000 | 5 | £500 |
| APS - Food Sciences | H294_AppRes_Bud Nutrition LTD_supplement | ENTR General Business Development Opportunities MG | Consultancy | £1,000 | 5 | £50 |
| APS - Food Sciences | H288_AppRes_Principle Healthcare_Ageing nutrition | Principle Healthcare International | Contract Research | £10,000 | 5 | £500 |
| APS - Psychology | H264_AppRes_Postcode Community Grants_Addiction | Postcode Community Trust | Contract Research | £1,000 | 5 | £50 |
| APS - Human Science | H241_AppRes_Brain Fuels_Clinical trial | BRAIN-FUELS (MANUFACTURING) LIMITED | Contract Research | £29,500 | 20 | £5,900 |
| APS - Psychology | H198_AppRes_Care Trade_Autism | Care Trade UK | Contract Research | £15,200 | 50 | £7,600 |
| APS - Food Sciences | Recipe development | Signature Flatbreads | Knowledge Exchange | £140,000 | 10 | £14,000 |
| APS - Food Sciences | Food development_shelf life improvement | Nicholas & Harris Ltd | Knowledge Exchange | £140,000 | 5 | £7,000 |
| APS - Psychology | H114_Research_APS_Alcohol Research UK | ENTR General Business Development Opportunities MG | Contract Research | £50,000 | 15 | £7,500 |
| APS - Food Sciences | Recipe development and reduction of waste product | Davin Foods | Knowledge Exchange | £140,000 | 10 | £14,000 |
| APS - Human Science | H090_AppRes_BugSnacks_BugSnacks | BugSnacks | Contract Research | £5,000 | 10 | £500 |
| APS - Psychology | Provide content from a psychological perspective for training courses in the close security industry | 3S Partnerships | Short Courses | £5,000 | 5 | £250 |

| | | | | | | | |
|---|---|-----------|--|--------------------|-----------------|----|-----------------|
| Total APS | | 13 | | | £686,700 | | £71,850 |
| BEA - Civil & Building Services Engineering | Sci048_BEА_Cons_Alfa Mediterranean Enterprises_Energy Generation Study Work Scope | | Alfa Mediterranean Enterprises Ltd | Consultancy | £15,000 | 20 | £3,000 |
| BEA - Civil & Building Services Engineering | Sci033_BEА_ExFund_SME Instrument_Solar Polar_Phase2 | | Solar Polar Ltd | Contract Research | £42,000 | 20 | £8,400 |
| BEA - Civil & Building Services Engineering | Sci029_ExFund_SME Instrument_Energy Transitions_Low Emissivity Transpired Solar Collectors | | Energy Transitions Ltd | Contract Research | £7,000 | 25 | £1,750 |
| BEA - Civil & Building Services Engineering | KTP Heat Exchanger | | Kelvion Searle | Knowledge Exchange | £163,958 | 50 | £81,979 |
| BEA - Architecture | Sci028_BEА_ExFund_H2020_ChoiceGmbH_Urban Mobility | | Choice GmbH | Contract Research | £113,500 | 10 | £11,350 |
| BEA - Construction, Property, & Surveying | Component Lifecycle Measurement and Construction Sustainability | | Royal Institute of Chartered Surveyors | Knowledge Exchange | £140,000 | 10 | £14,000 |
| BEA - Civil & Building Services Engineering | Sci018_BEА_Cons_Aquaten and solion_Water rentension product testing | | aquaten | Consultancy | £0 | 0 | £0 |
| BEA - Civil & Building Services Engineering | Heat recycling for glass manufacturing | | Kite Glass Ltd | Knowledge Exchange | £140,000 | 10 | £14,000 |
| BEA - Architecture | Sci010_BEА_AppRes_Ministry of Sound_Digital spatial models, kiosk design, artwork and CGI/Animation | | Ministry of Sound | Contract Research | £35,000 | 25 | £8,750 |
| BEA - Architecture | Sci009_BEА_Cons_MITIE_Best practise process for housing stock maintenance | | MITIE | Consultancy | £45,000 | 20 | £9,000 |
| Total BEA | | 10 | | | £701,458 | | £152,229 |
| BUS - Management, Marketing & People | Delivery of marketing module | | Hanze University of Applied Sciences | Contract Research | £14,000 | 5 | £700 |
| BUS - Accounting & Finance | ACCA P-Papers | | ACCA | Short Courses | £40,000 | 20 | £8,000 |
| BUS - Business & Enterprise | English for NHS Trainee Nurses | | ENTR General Business Development Opportunities TI-BUS | Short Courses | £19,400 | 20 | £3,880 |
| Total BUS | | 3 | | | £73,400 | | £12,580 |
| ENG - Chemical & Petroleum Engineering | Sci057_ENG_BUE Summer Training | | The British University in Egypt | Short Courses | £58,590 | 20 | £11,718 |
| ENG - Electrical & Electronic Engineering | H334_Consultancy_Welland_Hydrocolloid | | Welland Medical | Consultancy | £3,000 | 50 | £1,500 |

| | | | | | | |
|--|---|--|-----------------------|-------------------|----|-----------------|
| ENG - Computer Science & Informatics | H295_Other_Banissi_NEWTON FUND RESEARCHER LINKS WORKSHOPS | ENTR General Business Development Opportunities MG | Consultancy | £1,000 | 5 | £50 |
| ENG - Electrical & Electronic Engineering | SCI041_Eng_Other_SurgicVision_facilities hire | SurgicVision | Letting Of Facilities | £2,500 | 10 | £250 |
| ENG - Chemical & Petroleum Engineering | SCI032_Eng_Cons_Solar Polar_Newton India fund Mamata Energy | Solar Polar Ltd | Consultancy | £15,000 | 20 | £3,000 |
| ENG - Computer Science & Informatics | SCI027_Eng_ExtFund_UIA_E Car Club_Plug and Play | E-Car Club | Consultancy | £117,027 | 10 | £11,703 |
| ENG - Computer Science & Informatics | KExxxx_Redrose_KTP1023990 | Redrose Property Services | Knowledge Exchange | £145,740 | 50 | £72,870 |
| ENG - Computer Science & Informatics | Bio plant tracking and software development for plant sample placement | Tendercare Nurseries Ltd | Knowledge Exchange | £140,000 | 5 | £7,000 |
| ENG - Computer Science & Informatics | Data mining | Apperception Services Ltd | Knowledge Exchange | £140,000 | 5 | £7,000 |
| ENG - Mechanical Engineering & Design | Product Development of pumps for maritime use | GI Group | Knowledge Exchange | £140,000 | 5 | £7,000 |
| ENG - Mechanical Engineering & Design | KTP around workflow and process | Freed of London | Consultancy | £40,000 | 10 | £4,000 |
| ENG - Mechanical Engineering & Design | Membrane testing | MelDerm Ltd | Contract Research | £1,660 | 75 | £1,245 |
| ENG - Mechanical Engineering & Design | Improvement of MIS to better automate the production process to improve OEE | ATC Ltd | Knowledge Exchange | £140,000 | 5 | £7,000 |
| ENG - Computer Science & Informatics | KExxxx_Academy_KTP1023892 | Academy Class | Knowledge Exchange | £145,740 | 50 | £72,870 |
| Total ENG | 14 | | | £1,090,257 | | £207,206 |
| HSC - Institute for Leadership and Practice Innovation | H335_Consultancy_HEE NCEL_Darzi Sustainability | Health Education England | Consultancy | £50,800 | 10 | £5,080 |
| HSC - Allied Health Sciences | H332_Consultancy_PHE_Supported Resources HWB | Public Health England | Consultancy | £80,000 | 5 | £4,000 |
| HSC - Adult Nursing & Midwifery | H230_Short Courses_Homerton Hospital_Perinatal MH | Homerton University Hospital NHS Foundation Trust | Short Courses | £40,696 | 10 | £4,070 |
| HSC - Mental Health & Learning Disability | H321_TBC_Eddie C | Guys and St Thomas' NHS FT | Consultancy | £6,000,000 | 15 | £900,000 |
| HSC - Mental Health & Learning Disability | H330_CPD_Merton_Mindfulness | Merton Council | Short Courses | £23,150 | 15 | £3,473 |

| | | | | | | |
|--|--|--|-------------------------------|------------|----|----------|
| HSC - Institute for Leadership and Practice Innovation | H325_Consultancy_ICHP_NW STP | Imperial College Health Partners | Consultancy | £21,000 | 50 | £10,500 |
| HSC - Primary & Social Care | H286_AppRes_SpringConsortium_Expert heuristics | Department for Education | Knowledge Exchange | £189,121 | 20 | £37,824 |
| HSC - Primary & Social Care | H282_Short Courses_DfE_Permanence | Department for Education | Short Courses | £4,000,000 | 15 | £600,000 |
| HSC - Primary & Social Care | H262_CPD_UKTEL-ELM_China Teaching | UK Thames Education Ltd | Short Courses | £11,080 | 75 | £8,310 |
| HSC - Adult Nursing & Midwifery | H245_Consultancy_PA | ENTR General Business Development Opportunities NG | Knowledge Exchange | £120,000 | 15 | £18,000 |
| HSC - Institute of Vocational Learning | H231_Short Courses_KCH | King's College Hospital NHS Foundation Trust | Short Courses | £39,795 | 50 | £19,898 |
| HSC - Mental Health & Learning Disability | H217_Other_BAT | Burgess Autistic Trust | Knowledge Exchange | £110,000 | 25 | £27,500 |
| HSC - Primary & Social Care | H213_CPD_CC_PHE | Croydon Council | Short Courses | £20,000 | 5 | £1,000 |
| HSC - Primary & Social Care | H212_Other_e40 | e40 | Intellectual Property | £0 | 25 | £0 |
| HSC - Adult Nursing & Midwifery | H187_Cons_North West Leadership Academy_STP | ENTR General Business Development Opportunities NG | Consultancy | £20,000 | 20 | £4,000 |
| HSC - Adult Nursing & Midwifery | H133_NMC Nursing Revalidation | ENTR General Business Development Opportunities NG | Short Courses | £5,000 | 50 | £2,500 |
| HSC - Mental Health & Learning Disability | H117_Open Dialogue | ENTR General Business Development Opportunities NG | University Accredited Courses | £5,000 | 50 | £2,500 |
| HSC - Primary & Social Care | H076_Rental_Pulse Medic_Lab hire for emergency training 2 | Pulse Medic | Letting Of Facilities | £1,500 | 10 | £150 |
| HSC - Primary & Social Care | H069_CPD_HENCEL_health coaching and self-care implementation programme | Health Education North Central & East London | Consultancy | £90,000 | 10 | £9,000 |
| HSC - Mental Health & Learning Disability | H067_AppRes_SLAM_Integrated Care Project | South London And Maudsley (SLAM) NHS Trust | Consultancy | £25,000 | 10 | £2,500 |
| HSC - Adult Nursing & Midwifery | H068_Research_Council of Deans_Literature review on supporting Nursing, Midwifery and AHP Students to Raise Concerns | Council of Deans of Health | Contract Research | £6,300 | 5 | £315 |
| HSC - Primary & Social Care | H065_AppRes_IGLYO_Inclusion of Intersectional Identities | International Lesbian, Gay, Bisexual, Transgender, Queer Org | Contract Research | £3,200 | 50 | £1,600 |
| HSC - Mental Health & Learning Disability | H060_Other_EU Social Innovation Fund_Peoples Academy | European Commission | Regeneration Programme | £37,000 | 5 | £1,850 |
| HSC - Primary & Social Care | H052_AppRes_SRNHTFT_Demand, flow & staffing model | Salford Royal NHSFT | Contract Research | £40,000 | 33 | £13,200 |

| | | | | | | |
|---------------------------------|--|--|------------------------|--------------------|----|-------------------|
| HSC - Adult Nursing & Midwifery | H008_CPD_Saudi Arabia_Primary Health Services_Workforce Development Education & Training | ENTR General Business Development Opportunities PB | Short Courses | £100,000 | 10 | £10,000 |
| Total HSC | 25 | | | £11,038,642 | | £1,687,269 |
| LSBU Match funded | SP_005 Entrepreneurial Training for Enterprise Educators (ETEE) | Erasmus+ | Regeneration Programme | £96,000 | 10 | £9,600 |
| LSBU Match funded | SP_001 Simulation for Digital Health (SimDh) | ERDF | Regeneration Programme | £651,065 | 75 | £488,299 |
| LSBU Match funded | SP_002 Greentech Access To Innovation (Greentech A2i) | ERDF | Regeneration Programme | £644,136 | 75 | £483,102 |
| LSBU Match funded | SP_004 University Entrepreneurial Ecosystems (UEE) | Erasmus+ | Regeneration Programme | £141,000 | 20 | £28,200 |
| LSBU Match funded | SP_011 The deK Growth Programme | ERDF | Regeneration Programme | £297,971 | 75 | £223,478 |
| LSBU Match funded | SP_012 ENTERPRISE STEPS | ERDF | Regeneration Programme | £240,000 | 75 | £180,000 |
| LSBU Match funded | SP_010 Innovation Catalyst (IC) | ERDF | Regeneration Programme | £420,580 | 0 | £0 |
| LSBU Match funded | SP_009 Social Enterprise Escalator (SEE) | ERDF | Regeneration Programme | £382,859 | 0 | £0 |
| LSBU Match funded | SP_008 Enhancing graduate employability through internationalisation (EGETI) | Erasmus+ | Regeneration Programme | £59,500 | 10 | £5,950 |
| LSBU Match funded | SP_003 Cold Water Heat Networks (CWHN) | Interreg B NWE | Regeneration Programme | £240,000 | 10 | £24,000 |
| Total LSBU | 10 | | | £3,173,111 | | £1,442,629 |
| LSS - Law | SCi046_LSS_AppRes_t-stone group research | T-Stone Group Ltd | Contract Research | £56,991 | 25 | £14,248 |
| LSS - Social Sciences | Book Writing | National council for Voluntary Organisations | Contract Research | £90,000 | 15 | £13,500 |
| LSS - Law | SP_013 INnovative Solutions for Practicality and Impact in Refugee and migration oriented Education (INSPIRED) | Erasmus+ | Regeneration Programme | £41,750 | 15 | £6,263 |
| LSS - Social Sciences | Science Film | Edomol UK | Letting Of Facilities | £156 | 50 | £78 |
| LSS - Social Sciences | Rogers research bid | positively UK | Contract Research | £75,000 | 20 | £15,000 |
| LSS - Law | Bribery Corruption Act Training | Mayfields Legal Training Ltd | Short Courses | £0 | 0 | £0 |

| | | | | | | |
|-----------------------|--|--|-----------------------|--------------------|----|-------------------|
| LSS - Social Sciences | Brixton history project | ENTR General Business Development Opportunities PH | Contract Research | £110,000 | 20 | £22,000 |
| Total LSS | 7 | | | £373,897 | | £71,088 |
| SBUEL | SCi024_SBUEL_AppRes_TUCO_Training course | The University Caterers Organisation Ltd | Short Courses | £14,184 | 50 | £7,092 |
| SBUEL | Gumball Animation | Location Works | Letting Of Facilities | £1,440 | 85 | £1,224 |
| SBUEL | Cyber Awareness training | MBA Learning Ltd | Short Courses | £10,000 | 50 | £5,000 |
| SBUEL | Innovation Voucher | 3S Partnerships | Knowledge Exchange | £5,000 | 50 | £2,500 |
| SBUEL | Bollywood Filming Opportunity - Siharta (6 days shoot) | Flame Visuals | Letting Of Facilities | £8,400 | 33 | £2,772 |
| SBUEL | MEDIAS | Somers Ltd | Intellectual Property | £120,000 | 20 | £24,000 |
| SBUEL | PerSent diabetic neuropathy identification jv (£50k) | Per Cent | Contract Research | £0 | 33 | £0 |
| Total SBUEL | 7 | | | £159,024 | | £42,588 |
| GRAND TOTALS | 94 | | | £17,653,489 | | £3,802,939 |

| | |
|------------------|---|
| | CONFIDENTIAL |
| Paper title: | South Bank University Enterprises Ltd: draft statutory accounts for the year ended 31 July 2016 |
| Board/Committee: | South Bank University Enterprises Ltd |
| Date of meeting: | 13 October 2016 |
| Author: | Rebecca Warren |
| Purpose: | Information and discussion |
| Recommendation: | The Board is requested to note the draft statutory accounts for the year ended 31 July 2016. |

The first draft of the statutory accounts follows. They are not yet complete:

- The gift aid and tax figures, which are currently being prepared by the auditors, Grant Thornton, will need to be added. These figures are highlighted in red.
- Also the Future Prospects paragraph in the Directors' report needs to be updated. This is also highlighted in red.
- An additional note needs to be added about the changes to the presentation of the accounts due to the introduction of the financial reporting standard FRS102. Some figures from the 2015 accounts have been restated due to the requirement to accrue holiday pay – these figures are highlighted in green.

The auditors have noted the following points in the accounts that could be corrected, but they are immaterial and the auditors do not consider it necessary for us to alter the accounts. It is the recommendation of the Finance team also that it is not necessary for us to alter the accounts – the first two points virtually cancel out, and the third does not affect the profit.

- An invoice relating to the year 2015-16 which was received after the year-end was not accrued – amount £14,730.
- The bad debt provision is higher than necessary because of invoices paid or cancelled since the provision level was calculated – amount £15,070.
- The accruals and deferred income which appear in the Creditors note, note 9, include an amount of £73,506 which is a debit rather than a credit, and would therefore be more appropriately included in Debtors.

This page is intentionally left blank

South Bank University Enterprises Limited

Report and Financial Statements

31 July 2016

DRAFT

South Bank University Enterprises Limited

Report and financial statements 2016

| Contents | Page |
|---|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 2 |
| Independent auditor's report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Principal accounting policies | 7 |
| Notes to the accounts | 8 |

South Bank University Enterprises Limited

Report and financial statements 2016

Officers and professional advisers

Directors

Mr James Smith CBE (Chair; resigned 30 April 2016)

Mr Richard Flatman

Mr Gurpreet Jagpal

Professor Paul Ivey (Chair from 1 May 2016)

Professor Hilary McCallion CBE (appointed 29 July 2016)

Secretary

Mr James Stevenson

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

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

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 £2,294,539 was an increase of 5% from 2015, and the company reported a profit before Gift Aid of £168,042.

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the 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 judgments and 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 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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. However, the Company's restructure in 2014 has positioned it better to deliver its objectives in the face of continuing market challenges. While growing research, enterprise and innovation links with commercial organisations, especially medium and large businesses, remains a priority. The Company is also increasingly focusing on opportunities to

South Bank University Enterprises Limited

Company Registration No. 2307211

Directors' report

increase its incubation and tenant services as well as enhanced opportunities to deliver professionally accredited Continuing Professional Development. In addition, with the opening of the Clarence Centre for Enterprise and Innovation, the Company is building 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 James Smith CBE (Chair; resigned 30 April 2016)

Mr Richard Flatman

Mr Gurpreet Jagpal

Professor Paul Ivey (Chair from 1 May 2016)

Professor Hilary McCallion CBE (appointed 29 July 2016)

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 (2015: none).

No Director had any interests in the shares of the Company or any other group company (2015: none).

Employees

As at the year-end the Company had 20 employees. All other persons associated with the Company are employees of London South Bank University.

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

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 Professor Paul Ivey

Chairman and Director

24 November 2016

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 2016 which comprise the profit and loss account, balance sheet 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).

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 2016 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.

Carol Rudge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
24 November 2016

South Bank University Enterprises Limited

Profit and loss account Year ended 31 July 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-------------|-----------|
| Turnover | 1 | 2,294,539 | 2,184,662 |
| Cost of sales | | (745,393) | (820,974) |
| Gross profit | | 1,549,146 | 1,360,688 |
| Administrative expenses | | (1,383,970) | (968,574) |
| Operating profit | 2 | 165,176 | 392,113 |
| Interest receivable | 4 | 2,866 | 3,246 |
| Profit on ordinary activities before Gift Aid for the financial year | | 168,042 | 395,360 |
| Gift Aid | 5 | 150,000 | 350,000 |
| Profit on ordinary activities after Gift Aid for the financial year | | 18,042 | 45,360 |
| Tax on profits on ordinary activities | 6 | - | - |
| Profit/(loss) on ordinary activities after taxation for the financial year | | 18,042 | 45,360 |

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 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-----------|-----------|
| Fixed assets | | | |
| Investments | 7 | 69 | 69 |
| Current assets | | | |
| Debtors | 8 | 103,472 | 399,679 |
| Cash at bank and in hand | | 459,649 | 129,626 |
| | | 563,121 | 529,305 |
| Creditors: amounts falling due within one year | 9 | (410,561) | (394,787) |
| Net current assets | | 152,560 | 134,577 |
| Total assets less current liabilities | | 152,629 | 134,587 |
| Net assets | | 152,629 | 134,587 |
| Capital and reserves | | | |
| Called up share capital | 10 | 10 | 10 |
| Profit and loss account | 11 | 152,619 | 134,577 |
| Total equity shareholders' funds/(deficit) | | 152,629 | 134,587 |

These financial statements were authorised and approved by the Board of Directors on 24 November 2016.

Signed on behalf of the Board of Directors

Mr Professor Paul Ivey
Chairman and Director

South Bank University Enterprises Limited

Principal accounting policies Year ended 31 July 2016

Basis of Preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are consistent with those adopted in the prior year and are described below.

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 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. Taxable profit differs from the net profit/(loss) 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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

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.

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2016

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:

| | 2016 £ | 2015 £ |
|--------------------------|------------------|------------------|
| United Kingdom | 2,290,593 | 2,153,065 |
| Other European countries | 3,946 | 31,597 |
| | <u>2,294,539</u> | <u>2,184,662</u> |

2. Operating profit/(loss)

| | 2016 £ | 2015 £ |
|---|--------------|--------------|
| Operating profit/(loss) is stated after charging | | |
| Fees payable to the Company's auditor: | | |
| - for taxation advice | 3,513 | 6,103 |
| | <u>3,513</u> | <u>6,103</u> |

The Company's audit fee of £xxx has been included in the audit fee charged to London South Bank University. (2015: £4,110).

3. Staff costs and Directors' remuneration

The Company had 20 employees at the year-end (2015: 13). All other persons associated with the Company are employees of London South Bank University.

| | 2016 £ | 2015 £ |
|----------------------------------|------------------|----------------|
| Costs: | | |
| Wages and salaries | 1,025,313 | 814,330 |
| Social security costs | 92,448 | 74,334 |
| Employers' pension contributions | 83,003 | 65,296 |
| | <u>1,200,764</u> | <u>953,960</u> |

No Director employed by the company received remuneration exceeding £100,000 (2015: none).

4. Interest receivable

| | 2016 £ | 2015 £ |
|--------------------------|--------------|--------------|
| Bank interest receivable | <u>2,866</u> | <u>3,246</u> |

5. Payment under Gift Aid

For the year ending 31 July 2016 the company has approved payment of £xxx of its taxable profit under the Gift Aid scheme to London South Bank University (2015: £350,000).

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2016

6. Taxation

The 2016 tax charge is nil (2015: nil).

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | 60,122 | 60,122 |
| Taxation on profit on ordinary activities at xx% (2015: 20.67 %) | 12,425 | 12,425 |
| Effects of: | | |
| Fixed asset differences | - | - |
| Expenses not deductible for taxation purposes | 69 | 69 |
| Other permanent differences | 322 | 322 |
| Depreciation in excess of capital allowances | 3,407 | 3,407 |
| Other short-term timing differences | (4,247) | (4,247) |
| Unrelieved tax losses and other deductions | (11,976) | (11,976) |
| 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 £xx (2015: £11,774).

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

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2016

7. Fixed Asset Investments

| | |
|------------------|----|
| | £ |
| At 1 August 2015 | 69 |
| At 31 July 2016 | 69 |

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 2015 | (13,554) | 218,866 |

8. Debtors

| | 2016 | 2015 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 325,202 | 258,774 |
| Prepayments and accrued income | - | 30,445 |
| Amounts owed by parent company | (223,475) | 108,361 |
| Other debtors | 1,745 | 2,099 |
| | <u>103,472</u> | <u>399,679</u> |

9. Creditors: amounts falling due within one year

| | 2016 | 2015 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 13,322 | - |
| Amounts owed to parent company | - | - |
| Other creditors | 59,586 | 76,357 |
| Accruals and deferred income | 318,919 | 297,963 |
| HMRC and pension | 18,734 | 20,467 |
| | <u>410,561</u> | <u>394,787</u> |

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2016

10. Called up share capital

| | 2016 £ | 2015 £ |
|---|--------------|--------------|
| Authorised: | | |
| 1,000 ordinary shares of £1 each | 1,000 | 1,000 |
| | <u>1,000</u> | <u>1,000</u> |
| Called up, allotted and fully paid | | |
| 10 ordinary shares of £1 each | 10 | 10 |
| | <u>10</u> | <u>10</u> |

11. Movement on total reserves

| | Share capital £ | Profit and loss account £ | Total shareholders surplus/ (deficit) £ |
|--|-----------------------|---------------------------------|---|
| At 1 August 2015 | 10 | 134,577 | 134,587 |
| Profit on ordinary activities after taxation for the financial year | - | 18,042 | 18,042 |
| | <u>10</u> | <u>152,619</u> | <u>152,629</u> |
| At 31 July 2016 | <u>10</u> | <u>152,619</u> | <u>152,629</u> |

12. Related party transactions

The Company has taken advantage of the exemption which is conferred by Financial Reporting Standard number 8 “Related Party Disclosures” 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.

This page is intentionally left blank

Agenda Item 7

| | CONFIDENTIAL |
|-----------------|--|
| Paper title: | South Bank University Enterprises Ltd: aged debtors report |
| Board: | South Bank University Enterprises Ltd |
| Date: | 13 October 2016 |
| Author: | Rebecca Warren/ Gurpreet Jagpal |
| Purpose: | To note for information |
| Recommendation: | The Board is requested to note the aged debtors. |

Introduction

The first section of the table on page 3-4 shows the aged debtors on the sales ledger, up-to-date as 6 October 2016.

The second section shows historical arrears for several Technopark tenants.

All debts dated 30 April 2015 or earlier were provided for in the 2015 accounts, if not already provided for. All debts dated 30 April 2016 or earlier are provided for in the 2016 accounts, if not already provided for.

Summary

| | <u>1st June 2016</u> | <u>6th October 2016</u> | <u>Difference</u> |
|--------------|----------------------|-------------------------|---------------------|
| Current | £298,485.17 | £150,689.00 | -£147,796.17 |
| 1-30 days | £21,814.53 | £66,403.00 | £44,588.47 |
| 31-60 days | £31,646.79 | £63,978.00 | £32,331.21 |
| 61-90 days | £80,279.43 | £18,548.00 | -£61,731.43 |
| 90+ days | £108,098.66 | £103,538.00 | -£4,560.66 |
| Total | £540,324.58 | £403,156.00 | -£137,168.58 |

| Arrears from 2012-13 | | |
|----------------------|-------------------|------------------|
| Self Energy | £2,148.00 | £2,148.00 |
| Protimos | £5,486.00 | £5,486.00 |
| Seyhan Tezel | £5,060.00 | |
| Total | £12,694.00 | £7,634.00 |

| Type | current | 1-30 days | 31-60 days | 61-90 days | 90+ | Rest amount |
|--------------|----------------|---------------|---------------|---------------|----------------|----------------|
| Conference | 3,662 | 3,420 | 30,304 | 7,041 | 29,404 | 73,831 |
| Ex-Tenant | - | - | 16 | - | 8,621 | 8,638 |
| Stakeholder | 38,571 | 3,078 | - 241 | - | 13,058 | 54,466 |
| Tenant | 108,455 | 59,906 | 33,898 | 11,506 | 52,455 | 266,221 |
| TOTAL | 150,689 | 66,403 | 63,978 | 18,548 | 103,538 | 403,155 |

Comments on significant clients, from Adrian Tindall, Tenant Manager:

New Medica will clear their arrears once invoices are received.

First Thought IP will make an initial payment and then enter into a payment plan.

Protimos are applying for funding from their American arm to settle some of the arrears and will then enter into a payment plan. Adrian is meeting them on Thursday for more details. The Board are able to issue notice proceedings if they deem it suitable.

Adrian and his colleagues are trying to reconcile accounts for SharpCloud and KBM. Delay any decision until November Board.

Pulse Medic, can the Board please issue instructions for notice to be given and recovery proceedings to start? In terms of reputation the Managing Director is a LSBU Alumni (Adrian has informed the Alum office that we may need to take action and they have agreed with it). Adam and Adrian have repeatedly tried to have conversations with them and they are no further forward in getting even a payment plan in place.

| CustID (T) | Type | current | 1-30 day | 31-60 day | 61-90 day | 90+ | Rest amount |
|--|-------------|---------|----------|-----------|-----------|--------|-------------|
| 2531 7E YOUTH ACADEMY | Conference | - | - | 396 | - | - | 396 |
| 1862 ALLWAG PROMOTIONS LTD | Conference | - | - | - | - | 746 | 746 |
| 2464 ALTERLINE RESEARCH LTD | Tenant | 842 | 842 | 842 | 1,683 | - | 4,208 |
| 2221 ARIADNE DESIGNS | Tenant | 60 | 60 | 60 | - | - | 180 |
| 2501 ARUP LTD | Conference | - | - | - | - | 1,524 | 1,524 |
| 2442 ASPYRE GROUP LTD | Tenant | 79 | 60 | - | - | 60 | 199 |
| 2412 ASSURED EVENTS | Conference | - | - | - | 690 | - | 690 |
| 2488 Active Communities Network | Tenant | 5,115 | 5,115 | 5,115 | - | - | 15,345 |
| 2504 Advanced Engine Research Ltd | Stakeholder | 24,000 | - | - | - | - | 24,000 |
| 2480 Andres Jimenez | Tenant | 60 | - | - | - | - | 60 |
| 2507 Ars Electronica Linz GMBH | Stakeholder | - | 3,918 | - | - | - | 3,918 |
| 1918 BADMINTON ENGLAND | Tenant | 1,593 | 27 | - | - | 64 | 1,502 |
| 1568 BARTS AND THE LONDON NHS TRUST | Stakeholder | - | - | 86 | - | - | 86 |
| 2476 BARTS HEALTH NHS TRUST | Stakeholder | 810 | - | - | - | - | 810 |
| 2518 BEN CHUIJOKE | Stakeholder | 1,080 | - | - | - | - | 1,080 |
| 2222 BIOX LTD | Tenant | 1,560 | - | - | - | - | 1,560 |
| 2223 BLACK STAR GLOBAL | Ex-Tenant | - | - | - | - | 797 | 797 |
| 2283 BREATHE THE ART HEALTH RESEARCH | Tenant | 1,544 | - | - | 36 | - | 1,580 |
| 2085 BRITISH YOUTH OPERA | Stakeholder | 5,832 | - | - | - | - | 5,832 |
| 2465 BYRON ALEXANDER TABULA | Tenant | 60 | 60 | 60 | 60 | 60 | 300 |
| 2374 CALDER CONFERENCES | Conference | - | - | 800 | 468 | 666 | 1,934 |
| 2225 CAMERON WILDING | Tenant | 4,707 | - | 4 | - | 59 | 4,770 |
| 2492 CHESTERFIELD HOMES LTD | Tenant | 75 | 75 | 75 | 150 | 60 | 435 |
| 2502 CITIZEN ADVICE | Stakeholder | - | - | - | - | 1,564 | 1,564 |
| 2411 CLARITY TRAVEL MANAGEMENT | Conference | - | - | 3,826 | - | - | 3,826 |
| 2226 COGITARE | Tenant | 2,639 | - | - | - | 32 | 2,671 |
| 2445 COLLABORATE | Tenant | - | - | - | - | 245 | 245 |
| 1341 COSTAIN CONSTRUCTION LTD | Conference | - | - | - | - | 837 | 837 |
| 2407 Canterbury Christ Church University | Conference | - | - | 990 | - | - | 990 |
| 2292 CareTrade Charitable Trust | Tenant | 1,439 | 1,439 | 1,457 | 72 | 4,258 | 8,665 |
| 2364 Christine Green Author's Agent | Tenant | 1,591 | - | - | - | - | 1,591 |
| 2388 Clinical Science & Technology Ltd | Tenant | 774 | 774 | 360 | - | - | 1,188 |
| 2363 College of Contemporary Health | Tenant | 3,884 | - | - | - | - | 3,884 |
| 2511 D R WAKEFIELD & CO LTD | Conference | - | - | - | 991 | - | 991 |
| 2268 DISABILITY SPORTS COACH | Tenant | 1,776 | 1,782 | 1,722 | 1,722 | 504 | 7,506 |
| 2299 DOING SOCIAL | Tenant | 240 | - | - | - | - | 240 |
| 2540 DURDAR CONSULTING | Tenant | 60 | - | - | - | - | 60 |
| 2469 ENDO ENTERPRISES (UK) ITD | Stakeholder | 3,264 | - | - | - | - | 3,264 |
| 2484 EUCLID NETWORK | Tenant | 22 | - | - | - | - | 22 |
| 2395 F & F Business Strategies Ltd | Tenant | 770 | 770 | 770 | 770 | 2,309 | 5,387 |
| 2229 FIRST THOUGHT IP | Tenant | 1,851 | 1,808 | - | - | 10,618 | 14,277 |
| 2274 FOREAGSEKONOMISKA INSTITUET | Tenant | 1,474 | - | - | - | - | 1,474 |
| 2497 FRANTIC THEATRE COMPANY LTD | Stakeholder | 630 | - | - | - | - | 630 |
| 2493 FUTURE SPACE TECHNOLOGIES | Tenant | 60 | 60 | - | - | - | 120 |
| 2533 HMG Consulting | Stakeholder | - | - | 672 | - | - | 672 |
| 2546 HOMERTON UNIVERSITY HOSPITAL | Stakeholder | 225 | - | - | - | - | 225 |
| 2530 Health Quality Improvement Partnshps | Stakeholder | - | - | 501 | - | - | 501 |
| 2500 Healthcare Financial Management Association | Stakeholder | - | 16,659 | - | - | - | 16,659 |
| 1724 ICAN DISTRICT UK | Conference | - | - | 396 | - | 396 | 792 |
| 2231 IHRA | Tenant | 3,113 | - | - | - | 348 | 3,462 |
| 2251 IMAGES & CO | Tenant | 1,400 | 1,409 | - | - | - | 2,809 |
| 2321 INPUD | Tenant | 1,978 | 1,978 | - | - | 141 | 4,096 |
| 2232 INTERACTIVE | Stakeholder | - | - | - | - | 7,228 | 7,228 |
| 2185 INTERACTIVE | Stakeholder | - | - | - | - | 766 | 766 |
| 2506 INTERREG NORTH WEST EUROPE | Conference | - | - | - | 1 | - | 1 |
| 2539 IZIT DIRECT LTD | Tenant | 60 | - | - | - | - | 60 |
| 2487 Ice Health Cryotherapy | - | - | - | - | - | - | - |
| 2339 JOHNSON RIBOLLA LTD | Tenant | 2,948 | - | - | - | - | 2,948 |
| 2242 Jevon Davies T/a Silicon Thoughts | Tenant | 745 | 745 | 745 | - | 18 | 2,254 |
| 2359 KBM Training & Recruitment Ltd | Tenant | 2,484 | 2,484 | - | - | 4,859 | 9,827 |
| 2234 KINASE LTD | Tenant | 5,709 | - | - | - | - | 5,709 |
| 2105 KINGSTON UNIVERSITY | Conference | - | - | 3,679 | - | 2,579 | 6,258 |
| 2537 LEEDS TEACHING HOSPITALS TRUST | Stakeholder | 180 | - | - | - | - | 180 |
| 2495 LENGUACTIVA LTD | Tenant | 60 | - | - | - | - | 60 |
| 2139 LOCATION WORKS | Stakeholder | 2,280 | - | - | - | - | 2,280 |
| 2132 LONDON ASSOCIATION FOR CONTINENCE | Conference | - | - | 3,491 | - | - | 3,491 |
| 1821 LONDON BOROUGH OF LAMBETH | Stakeholder | - | 16,500 | - | - | - | 16,500 |
| 2405 LONDON HIGHER EDUCATION FORUM | Conference | - | - | 668 | - | - | 668 |

| | | | | | | | | |
|------|--|-------------|--------------|--------|--------|--------|---------|---------|
| 2233 | LONDON YOUTH GAMES | Tenant | 1,659 | - | - | - | - | 1,659 |
| 2524 | LUMA CREATIVE | Tenant | 842 | 842 | - | - | - | 1,683 |
| 1652 | Lewisham & Greenwich NHS Trust | Stakeholder | 90 | - | - | - | - | 90 |
| 2544 | London Borough of Bexley | Stakeholder | 180 | - | - | - | - | 180 |
| 2235 | MILLION+ | Tenant | 53 | - | - | - | - | 53 |
| 2314 | MPS WORKS LTD | Tenant | 2,917 | - | - | - | - | 2,917 |
| 2330 | Michael G Elhert Property Investment | Ex-Tenant | - | - | - | - | 968 | 968 |
| 2357 | Mykindacrowd Limited | Tenant | 5,592 | 5,400 | 5,400 | - | - | 16,392 |
| 2545 | NEW LONDON ARCHITECTURE | Conference | - | 916 | - | - | - | 916 |
| 2236 | NEW MEDICA | Tenant | 5,195 | 1,202 | - | - | 2,268 | 4,130 |
| 2485 | NHS CHOICES | Conference | - | - | 1,459 | - | 858 | 2,317 |
| 2157 | NHS PROPERTY SERVICES | Conference | - | - | 10,778 | 4,116 | 7,370 | 22,263 |
| 2068 | NHS SOUTHWARK | Conference | - | - | 529 | - | - | 529 |
| 2218 | Naked Creativity | Tenant | 3,787 | 2,600 | - | - | - | 6,387 |
| 1252 | PEABODY TRUST | Conference | - | - | - | - | 1,135 | 1,135 |
| 2418 | PLACE AND SPACE RESEARCH | Conference | - | - | - | - | 958 | 958 |
| 2294 | POST OFFICE LTD | Ex-Tenant | - | - | - | - | 65 | 65 |
| 2312 | PROPIA LTD | Tenant | - | - | - | - | 564 | 564 |
| 2239 | PROTIMOS FOUNDATION | Tenant | 792 | 792 | 855 | 855 | 16,763 | 20,057 |
| 2297 | PULSE MEDIC SERVICES LTD | Tenant | 729 | 729 | 729 | 1,458 | 9,714 | 13,359 |
| 2427 | PULSE MEDIC SERVICES LTD | Tenant | - | - | - | - | 500 | 500 |
| 1447 | Permanent Way Instn (London Section) | Conference | 3,662 | - | - | - | - | 3,662 |
| 2286 | R J METIS LTD | Ex-Tenant | - | - | 16 | - | 3,116 | 3,132 |
| 2271 | READY CACHE TECHNOLOGIES | Ex-Tenant | - | - | - | - | 1,483 | 1,483 |
| 2149 | RED HAT INC | Conference | - | - | - | - | 8,446 | 8,446 |
| 2358 | RED LANTERN DIGITAL MEDIA LTD | Tenant | 795 | - | - | - | - | 795 |
| 2288 | REVOLVING DOORS AGENCY | Tenant | 2,429 | - | 112 | - | - | 2,541 |
| 2475 | RICHARD HAWKINS | Tenant | - | - | - | - | 180 | 180 |
| 2489 | RIO FERDINAND FOUNDATION | Tenant | 1,333 | 1,333 | 1,333 | 1,333 | - | 5,333 |
| 2336 | SCHOOL EXPLAINED LTD | Tenant | 3,568 | - | 92 | 8 | 280 | 3,948 |
| 2387 | SCHOOL OF WOK | Tenant | 770 | 770 | - | - | - | 1,539 |
| 2240 | SELF ENERGY | Ex-Tenant | - | - | - | - | 1,446 | 1,446 |
| 2195 | SHARP CLOUD SOFTWARE | Tenant | - | - | - | - | 2,469 | 2,469 |
| 2241 | SHARPCLOUD | Tenant | 2,854 | 2,854 | 2,854 | 2,854 | 2,913 | 14,330 |
| 2520 | SIGMA GROUP LTD | Tenant | 1,560 | 1,560 | 6,542 | - | - | 9,662 |
| 2548 | SILICON RHINO | Tenant | 885 | - | - | - | - | 885 |
| 2394 | SISKIN PROPERTY INVESTMENTS LTD | Ex-Tenant | - | - | - | - | 210 | 210 |
| 2508 | SOLAR POLAR | Stakeholder | - | 1,000 | - | - | 7,000 | 6,000 |
| 2462 | SOLAR POLAR LTD (TENANTS) | Stakeholder | - | - | 1,500 | - | 3,500 | 5,000 |
| 1927 | SOLION LTD | Tenant | - | - | - | - | 5,884 | 5,884 |
| 1074 | SOUTHWARK COUNCIL | Conference | - | - | 2,577 | - | - | 2,577 |
| 2401 | SQUARE 2 MARKETING | Conference | - | - | - | - | 569 | 569 |
| 2337 | STOKE AND DAGGER | Tenant | 1,521 | 1,521 | - | - | - | 3,043 |
| 2436 | Spectrecom Films Ltd | Conference | - | - | - | - | 1,440 | 1,440 |
| 2346 | THE CHALLENGE | Conference | - | 2,504 | - | - | - | 2,504 |
| 2523 | THE OLD VIC THEATRE TRUST 2000 | Conference | - | - | 300 | - | - | 300 |
| 2434 | THE POWER TO CHANGE | Tenant | 6,080 | 6,080 | 6,080 | 505 | - | 18,745 |
| 2392 | THREE HANDS LTD | Tenant | 2,568 | 2,568 | - | - | 27 | 5,163 |
| 2245 | TOCA TRAINING | Tenant | 728 | 16 | 588 | - | - | 156 |
| 1439 | TOMORROW'S PEOPLE | Tenant | - | - | - | - | 138 | 138 |
| 2246 | TRYTAG RUGBY | Tenant | 2,520 | - | - | - | 2,197 | 4,717 |
| 2474 | The College of Contemporary Health Ltd | Tenant | - | 10,658 | - | - | - | 10,658 |
| 2198 | UK POWER NETWORK SERVICES | Conference | - | - | 416 | - | 1,881 | 2,296 |
| 1663 | UNIVERSITY OF LEEDS | Conference | - | - | - | 775 | - | 775 |
| 2247 | VANGUARDIA | Tenant | 4,887 | - | - | - | - | 4,887 |
| 2273 | Valiant Business Media Ltd | Ex-Tenant | - | - | - | - | 1,087 | 1,087 |
| 2248 | WINE FUSION | Tenant | 1,548 | 1,548 | - | - | 1,356 | 4,451 |
| 2541 | Zzish | Tenant | 2,072 | - | - | - | - | 2,072 |
| | TOTAL | | 150,689 | 66,403 | 63,978 | 18,548 | 103,538 | 403,155 |
| | | | | | | | | |
| | Arrears from 2012-13 | | | | | | | |
| | Self Energy | | 2,148 | | | | | |
| | Protimos | | 5,486 | | | | | |
| | TOTAL | | 7,634 | | | | | |

| | |
|------------------|---|
| | CONFIDENTIAL |
| Paper title: | Proposals on South Bank University Enterprises Ltd. |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 13 October 2016 |
| Author: | Paul Ivey |
| Purpose: | Discussion |
| Recommendation: | |

Introduction

This is a note to prompt a discussion within the SBUEL board: it is not a formal proposal and whilst some developments are underway, much set out in this note requires further work. However it does signal the direction I feel we should follow and I welcome your opinion and observations.

Background

SBUEL has an income of some £2.5M which is spent 60% on salaries and 40% on operational costs. The accounts are designed to make a negligible surplus on turnover and, at the end of the financial year, this is consolidated with LSBU accounts. Employees of SBUEL hold a contract different from that of LSBU employees; the significant differences are performance related bonuses and pension arrangements. As intended SBUEL protects effectively the charitable status of LSBU but it does not operate at arms-length as was also intended but instead depends on LSBU for governance, finance, human resource, facilities, marketing and communications.

Need for change

The old-adage for the requisite characteristics of consulting services are the operational delivery of any two from expert, cheap and fast. SBUEL and LSBU share a common characteristic of slow execution when compared to successful 'commercial' operations and consequently are locked into expert and cheap as the necessary combination for any offer. This is business limiting especially when considering the developments in London of innovation ecosystems, the growth of international soft landing zones and entrepreneurship, and the potential for developing competitive consultancy services through targeted support of high income earning academics. SBUEL's employment terms and conditions are not competitive, either in comparison to the commercial sector or to LSBU itself. SBUEL

lacks detailed understanding of important international opportunities both in terms of operations and oversight.

Proposal

LSBU has research and enterprise income of some £20M and the proposal is for all this to be channelled through the commercial company, top sliced and this sum hypothecated to cover all SBUEL operating costs. Any surplus on turnover is retained by the company and rolled over to cover contingencies and investments in future years. SBUEL itself is renamed London South Bank Enterprise (LSB-Enterprise) and remains wholly owned by LSB-University. Two subsidiaries to LSB-Enterprise are established at the outset: LSB-Consultants to activity support high earning individuals and LSB-Bahrain, a 51% controlled joint venture initiative with the privately owned Applied Science University in Bahrain: the focus of this venture is training, consultancy, research support and the 25% of teaching support required to service the new Engineering School.

Back office functions are tendered with a preference to remain linked with LSBU services under a service level agreement but having the freedom to contract externally if this proves to be the better option. In this way the original intent of an 'arms-length' company is partially secured. The board need to actively seek non-executive directors to mitigate risk in terms of these developments and conduct an options review of the employment terms with a view to making LSB-Enterprise a more attractive, performance orientated employer.

| | |
|--|--|
| | CONFIDENTIAL |
| Paper title: | SBUEL staff contract review and policy proposal |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 13 October 2016 |
| Author: | Gurpreet Jagpal Director Research, Enterprise and Innovation, and CEO South Bank University Enterprises Ltd. Yvonne Mavin Head of Compliance and Systems |
| Purpose: | Discussion and decision |
| Recommendation: | The Board is request to approve: a) new SBUEL policy on allocation of organisational contract type to REI staff b) changes to selected existing staff contracts |
| Communications – who should be made aware of the decision? | HR; GovLegal; REI SMT members |

Executive Summary

Staff within Research, Enterprise and Innovation (REI) currently have contracts of employment with either LSBU or SBUEL and there has never been, through our research, any evidence as to the rationale of whether individuals are LSBU or SBUEL employees.

Historically there have been ‘tensions’ amongst staff members at the differing terms and conditions to what they perceive as the ‘same team’ and whilst some changes have been implemented – change in annual leave entitlement; additional leave days for fire wardens and first aiders, there still remains some animosity in the lack of clarity between LSBU and SBUEL roles.

From discussions with our HR Business Partner it has been suggested that some clear guidelines be drafted to address this issue and this paper seeks to develop these initial criteria for selecting employee terms and conditions based on the role the individual will perform. As a result there are considerations to some existing employees (Appendix 1) that will need to be addressed.

1 Current position

- Within REI individuals may have either LSBU or SBUEL as their employer, at present the team is split as follows:
 - LSBU –
 - Research pre and post award;
 - Research Degrees;
 - Entrepreneurship and Innovation and
 - Tenants and Facilities.
 - SBUEL –
 - Enterprise Institutes;
 - Knowledge Exchange Institute;
 - Strategic Projects and
 - Compliance and Systems.
- There is no formal policy as to how the University determines whether it is appropriate to allocate a LSBU contract versus an SBUEL contract to an individual, though there is a general understanding that the latter applies to commercial staff.
- There is a perceived ‘unfairness’ among many SBUEL staff about the disparity of terms between SBUEL and LSBU. Comparing organisational terms:
 - SBUEL better than LSBU
 - Annual bonus
 - LSBU better than SBUEL
 - Defined Benefit pension
 - Sick pay
 - Parental leave
 - Grade increments
 - Annual pay rise
- Job moves, new roles and the amalgamation of research and enterprise functions mean that we now have 5 individuals whose employment by SBUEL would now appear inappropriate. These roles are detailed in Appendix 1 and are essentially broad support roles across all of research and enterprise and without a specific commercial focus.

2 Proposal

- SBUEL contracts will be awarded to staff whose roles meet the following criteria: *“The primary function of an SBUEL role is the commercial imperative. This is either the generation of ‘enterprise income’ as defined in the financial accounts or the delivery of projects led by SBUEL staff.”*
- HR will institute a formal process to confirm that all new SBUEL staff JD and contracts meet this criteria.

- Those staff whose roles do not meet the SBUEL criteria will be transferred to LSBU contracts, with the exact process to be defined with HR.
- SBUEL terms will be reviewed and a further paper developed for Board approval. In particular, how and when market rates for salary are assessed and the structure of incentives that directly reward sales performance will be considered.

3 Implementation of staff transfer to LSBU contracts

- We need to establish a formal consultation period with affected employees through "appropriate" elected representatives, and provide written information. This should be a minimum of 28 days. The requirement for due diligence between organisations will not exist in this case.
- We propose that those transferring to LSBU contracts are offered the option of LSBU terms and conditions.
- Under TUPE law, the contracts of employees must be transferred in total (with the exception of pension) and all terms and conditions of employment have to remain the same. This means that the employees transferring could be offered the option to choose between SBUEL and LSBU terms and conditions, though they may not 'mix and match'.
- SBUEL operates a 'market rates' approach rather than a formal grading assessment so all affected roles need to be HERA evaluated to allocate the appropriate LSBU grade and salary levels. This evaluation may affect an individual's choice of preferred organisational terms.
- LSBU Grade/salary inflation relative to SBUEL might mean an individual's initial SBUEL terms preference changed over time. Individuals do not retain an on-going right to change terms and conditions; however the University's preference for operating standardised terms and conditions means that this could be offered at a later date.
- We cannot at this point calculate the overall impact on the REI budget. The increased pension contribution of SBUEL 9% versus LSBU 32% will be offset by lack of bonus eligibility. The revised salaries are unknown. However, given the pension cost differential if salaries remained the same we would expect an increase in REI staff cost of £20-25k a year resulting from the transfer.

Appendix 1

Table listing individuals proposed to transfer from SBUEL to LSBU contracts

| SBUEL individual | Role | Current LSBU University roles with similar responsibilities and scope |
|-------------------------|--|--|
| Jacqueline Broome | PA to Director and Team Administrator | PA Personal Assistant |
| Richard Howarth | Senior Marketing Officer | Enterprise Marketing Officer Marketing Officer Corporate Marketing Officer |
| Onye Imonioro | Compliance and Systems Officer | Information Compliance Officer |
| Nikki Lam | Compliance and Systems Support Officer | Head of Business Intelligence Unit |
| Yvonne Mavin | Head of Compliance and Systems | Governance Assistant |

| | |
|------------------|--|
| | CONFIDENTIAL |
| | |
| Paper title: | Board annual business plan |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 13 October 2016 |
| Author: | Joe Kelly |
| Purpose: | To note for information |
| Recommendation: | |

Executive Summary

The Board's annual business plan is included but note that it is likely to change following the development of the proposals in item 8: Proposals on SBUEL.

This page is intentionally left blank

University Enterprise Board Annual Plan

This annual Board plan is intended to cover items regularly discussed by the Board. Other non-regular items, e.g. the appointment of NEDs, will be considered by the Board when necessary.

| | October | November | December | March | June |
|--|---------|----------|----------|-------|------|
| Business | | | | | |
| Intellectual Property and Spin Out Company matters | X | | X | X | X |
| Budget | | | | | X |
| Management Accounts | | | X | X | X |
| Debtors report | X | | X | X | X |
| Annual Report and Accounts | Draft | X | | | |
| Audit findings | | X | | | |
| External audit letter of representation | | X | | | |
| Surplus distribution policy | | X | | | |
| Annual pay review | | | X | | |
| Bonuses <ul style="list-style-type: none"> • Individual performance • Sales bonus dividend | | | X | | |
| Governance | | | | | |
| Risk Register | X | X | | X | X |
| Review of system of internal control and risk management | | | X | X | X |
| Annual declaration of interests | | | X | | |
| Matters reserved for the Board | X | | | | |
| To review HR regulations | | | | X | |

This page is intentionally left blank

| | |
|------------------|--|
| | CONFIDENTIAL |
| | |
| Paper title: | Matters reserved for the Board |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 13 October 2016 |
| Author: | Joe Kelly |
| Purpose: | To note for information |
| Recommendation: | |

Executive Summary

Matters reserved for the Board was approved by the LSBU Board of Governors at its meeting of 17 March 2016.

This page is intentionally left blank

Schedule of Matters Reserved to the Sole Member, Board of Directors and to Management

The following schedule sets out the matters reserved respectively to the member, board and chief executive of South Bank University Enterprises Ltd (SBUEL).

Sole Member (London South Bank University)

| | Matter | Authority |
|-----|---|---------------------------------------|
| 1. | Power to direct and restrict activities of SBUEL if it sees fit | Art 6.3.3 |
| 2. | Appointment of chair of the SBUEL board and the governor director to the SBUEL board | |
| 3. | Termination of directors' appointment | Art 30.2 |
| 4. | Amendments to the composition of the SBUEL Board | Rights as a sole member |
| 5. | Amendment of SBUEL's articles of association | s.21 CA ¹ 2006 |
| 6. | Change of company name | Art. 4 |
| 7. | Shares: <ul style="list-style-type: none"> • Approval of the issue of unissued shares • Authority to grant the Board power to allot shares | Art. 6.3.2 Art. 37 |
| 8. | Winding up SBUEL | s.84(1)(b) IA ² 1986 |
| 9. | Approval of contracts: <ul style="list-style-type: none"> • Budgeted expenditure above £2m • Not in the ordinary course of business or unbudgeted expenditure above £0.5m | University Financial Regulations 12.6 |
| 10. | Exceptions to Financial Regulations that apply to SBUEL | University Financial Regulations |
| 11. | Approval of all borrowing by SBUEL | Resolution of LSBU |

¹ Companies Act 2006

² Insolvency Act 1986

Board of Directors

| | Matter | Authority |
|-----|--|---------------------------------------|
| 12. | Approval of company strategy | |
| 13. | Approval of company budgets, business plans and annual reports | |
| 14. | Approval of SBUEL Financial Regulations where excepted from University Financial Regulations: <ul style="list-style-type: none"> • Procurement regulations • Levels of delegated financial authority | |
| 15. | Recruitment, employment and HR regulations | |
| 16. | Approval of adjustments to spot salaries | |
| 17. | Approval of staff bonuses including the award of spot bonus above £1,000 | |
| 18. | Approval of commercial sales in SBUEL: <ul style="list-style-type: none"> • above £2m- SBUEL Board between £1m and £2m – Chair of the Board | University Financial Regulations 10.4 |
| 19. | Propose surplus distribution policy / Gift Aid Policy | |
| 20. | Approval of contracts: <ul style="list-style-type: none"> • Budgeted expenditure above £100,000 and below £2m • Not in the ordinary course of business or unbudgeted expenditure up to £0.5m | |

SBUEL Chief Executive

| | Matter | Authority |
|-----|---|------------------|
| 21. | Proposing strategic proposals and budgets | |
| 22. | Executing the strategy agreed by the Board of Directors | |

| | | |
|-----|---|--|
| 23. | Signing of contracts (within authority) | |
| 24. | Staff recruitment and remuneration | |
| 25. | Recommending adjustments to spot salaries to the Board | |
| 26. | Recommending bonus levels to the Board | |
| 27. | Award of spot bonus under £1,000 (in consultation with an Executive Director) | |
| 28. | Approval of commercial sales in SBUE up to ££1m – Director of Enterprise | |

Approved by the LSBU Board of Governors on 17 March 2016.

This page is intentionally left blank