

Minutes of a Meeting of the Board of Directors
of South Bank University Enterprises Ltd
held at 2.30pm on Wednesday 28 March 2012
in Room 1B07, Technopark, London Road, London SE1

Present

Mr R Flatman Chair
Ms B Jullien
Dr E Tinley

In attendance

Mr T Gebbels Director of Enterprise (*for minutes 1-28*)
Mr J Stevenson Company Secretary
Ms R Warren Accountant for South Bank University Enterprises Ltd. (*for minutes 1-28*)
Mr M Broadway Governance Officer

Welcome and apologies

01. It was noted that no apologies had been received.

Declarations of Interest

02. It was noted that Tim Gebbels had an interest in his proposed appointment as director of the company. The Chair permitted him to remain in the meeting but not to participate in this discussion.
03. It was noted that Tim Gebbels and Rebecca Warren had an interest in the tabled paper on pensions. They agreed to leave the meeting when this item was under discussion.

Membership of the Board

04. The Board noted that Andy Tillbrook had resigned as a director on 13 January 2012.
05. After due consideration, the Board appointed Tim Gebbels as a director of the company with immediate effect.

06. The Board noted that the University, as 100% shareholder, planned to appoint a non-executive chairman and a number of non-executive directors to the Board in due course.
07. The Board noted Ed Tinley's intention to resign as a director of the company when the new non-executive chairman was appointed.

Minutes of the last meeting

08. The committee approved the minutes of the meeting of 14 November 2011 subject to the following amendments:
 - a. To make it clear in minute 26 that £5.5k had been authorised and paid to Caze Ltd.
 - b. Minute 34 to "The board approved this arrangement and agreed that a written service level agreement between the company and the University would be produced".

Matters Arising

09. The Board noted that the company's accounts had been filed at Companies House.
10. The Board noted that the meeting with London Knowledge Innovation Centre (minute 28 refers) had not taken place while clarification on SBUEL's role was being worked out.
11. In relation to the "University Enterprises" project, the Board noted that service level agreements between the company and the University were being drawn up in discussions with the Director of Enterprise. The intention was to have these in place for the new financial year. This would be submitted to the May University Executive meeting and the July University Board of Governors meeting for approval.

Intellectual Property Steering Group

12. The Board noted that the Intellectual Property Steering Group was an active group which met quarterly and was chaired by Richard Flatman. The Board agreed that this was a SBUEL business matter and Tim Gebbels agreed to chair this group in the future.
13. It was noted that moving towards a sustainable investment model of intellectual property management would form part of the "University Enterprises" business case which was currently being prepared for approval by the University's Board of Governors.

14. The Director of Enterprise agreed to investigate the intellectual property costs of changing the company's name.
15. The Board noted that the Intellectual Property Policy had been reviewed recently.

Intellectual Property and Spin out Company Matters

16. The Board discussed a tabled paper dealing with non-student businesses in which the company had invested.

Caze Filters Ltd and BBM Technology Ltd

17. The Board noted that the court case had been settled and that BBM had found a licensee (Fripura Ltd) for the ceramic filter technology who had entered an agreement with Morganite Thermal Ceramics to manufacture the ceramic filters. It was noted that this had the potential to bring in around £500k to the company. The Board requested company representation on BBM's board and requested Tim Gebbels to meet with BBM.
18. The Board requested any shareholder agreements with BBM to be reviewed.

BIOX Systems Ltd

19. The Board noted that the company licensed intellectual property to BIOX and received royalties. The Board questioned whether BIOX could expand their sales and marketing team and sell to new markets.

Solion Ltd

20. The Board noted that the case against Solion by Renusol had been thrown out of the German courts and that Solion had counter-claimed Renusol for an invalid patent.
21. The Board noted that the company had a £52k loan outstanding with Solion and that the terms of the loan agreement and any shareholders agreements should be checked. Solion's accounts for 2011 were outstanding. The Board requested the Director of Enterprise meet with Solion.

Update on Memorandum and Articles of Association

22. The Board noted an update on proposed changes to the Memorandum and Articles of Association which would closely follow the Model Articles for private companies limited by shares (under schedule 1 of the Companies (Model Articles) Regulations 2008). Legal advice would be sought on the inclusion of objects in the Articles.
23. Key questions to be considered include: control by parent, taxation, gift aid, indemnity and recapitalisation.

Management Accounts

24. The Board noted the Management Accounts to 29 February 2012 (paper **SBUEL.02(12)**). The Board noted that the management accounts showed a profit of £274,000 but that this was largely due to property and rental income.
25. It was agreed that the Director of Enterprise would be responsible for the pricing policy for “University Enterprises” projects in the future.
26. The Board discussed the question of control over income from the University. The matter would be addressed in the “University Enterprises” business plan and the related service level agreement with the University. A recommendation would be made to the University Executive meeting.
27. The Board requested that format of the management accounts be changed to allow comparisons of in-year activity to the expected costs and forecast.
28. The Board noted that for 2012/13 there would be set of “University Enterprise” accounts and budget which would provide a picture of total enterprise activity within the LSBU group.

Recapitalisation

29. The Board agreed in view of the plans for “University Enterprises” it was in the best interests of the company to recapitalise in order to strengthen the balance sheet , provide working capital and a stable base for future growth. The Board requested the accountant to prepare options for the Board to consider.
30. It was noted that recapitalisation would need to be done periodically in the future unless the company was able to retain some of its profits.

New Pension Scheme

The Director of Enterprise and the Accountant left the meeting

31. The Board discussed proposals for a new defined contribution pension scheme which would be submitted to the Board of Governors of the University in summer 2012 for approval. The Board agreed that the proposed scheme was competitive with similar schemes in other organisations and would be appropriate as part of a reasonable remuneration package for the company's present and future employees.
32. The Board agreed to implement the scheme, subject to approval by the University's Board of Governors.

There being no further business, the meeting concluded.

Approved as a true record:

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Chairman