

## Meeting of the South Bank University Enterprises Ltd Board

4.00 pm on Monday, 5 November 2018  
in 1B16 - Technopark, SE1 6LN

### Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
1.	Welcome and apologies		PI
2.	Declarations of interest <i>Members are requested to declare any interest in any item on the agenda.</i>		PI
3.	Minutes of the previous meeting	3 - 6	PI
4.	Matters arising		PI
<b>Items to discuss</b>			
5.	SBE quarterly report <ul style="list-style-type: none"> <li>• Management accounts</li> </ul>	7 - 24	PI
6.	Budget 2018/19 (to approve)	25 - 26	PI
7.	Employment Agency <ul style="list-style-type: none"> <li>• 6-monthly report</li> </ul>	27 - 32	KC
8.	Staff bonuses	33 - 34	PI
<b>Year end approvals</b>			
9.	Audit findings	35 - 42	RW
10.	Draft financial statements (to approve)	43 - 60	RW
11.	Letter of representation	61 - 70	RW
<b>Items to note</b>			
12.	Governance	71 - 82	MB
13.	Development of research and enterprise end to end bid and project management systems	83 - 88	PI
14.	Tenant Lease Renewal and Process	89 - 98	PI
15.	Annual declarations of interest	99 - 102	MB

**Date of next meeting**  
**2.00 pm on Tuesday, 29 January 2019**

**Members:** Paul Ivey (Chair), Michael Cutbill and Richard Flatman  
**In attendance:** Michael Broadway and Rebecca Warren

*No. Item*

*Pages*

*Presenter*

**Minutes of the meeting of the South Bank University Enterprises Ltd Board  
held at 2.00 pm on Tuesday, 24 April 2018  
DCG-07 - Clarence Centre for Enterprise and Innovation**

**Present**

Paul Ivey (Chair)  
Michael Cutbill  
Gurpreet Jagpal

**Apologies**

Mandy Eddolls  
Richard Flatman

**In attendance**

Joe Kelly  
Michael Broadway  
Rebecca Warren  
Kirsteen Coupar  
Sukaina Jeraj (for item 3)

**1. Welcome and apologies**

The Chair welcomed directors to the meeting. The above apologies were noted.

**2. Declarations of interest**

No director declared an interest in any item on the agenda.

**3. Employment agency update**

The Board received a verbal report and presentation from the Director of Student Services & Employment and the Head of Employability & Placements.

The Board noted the Employment Agency has 898 temporary workers registered. The agency has placed students and graduates within the University and London Borough of Southwark, as well as with SMEs. Since January 2018, 64 graduates have accepted work, 15 of whom were placed externally with SMEs.

Future plans include further developing opportunities with employers in the local community as well as within the University.

The Board requested a 6 monthly report.

4. **Minutes of the previous meeting**

The Board approved the minutes of the previous meeting.

5. **Matters arising**

The Board noted the matters arising.

6. **CEO Report**

The Board discussed the CEO report.

The Board noted the financial summary and the variances in School income and performance. The Board noted the Sales Pipeline had dropped significantly from its performance in 2016/17 and requested a renewed focus on Schools' research income growth.

The Board requested that future CEO reports align the income tables with the narrative, by School.

7. **Risk register**

The CEO provided a verbal update on the risk register.

The meeting noted the reduction in the income pipeline was the only change since the previous meeting. To mitigate the risk, the Board requested a renewed focus on Schools' research income growth.

8. **Management Accounts**

The Board discussed the management accounts to 31 March 2018.

The Board noted the revised forecast surplus of £651k, an increase of £26k, and the option to gift aid taxable profit to the University at the end of the year.

9. **SBUEL shareholdings report**

The Board reviewed the shareholdings report.

The Board requested Research and Enterprise Development Managers to engage with the companies in which SBUEL holds shares, and recommend actions to the Board on individual investments.

The Board noted that SBUEL does not currently have a policy on investment. While there are no specific earmarked funds, spin out opportunities may be considered through presentation of a business case and a decision by the Board.

10. **CPD business update**

The Board discussed the CPD business update.

The Board noted that CPD activities are currently conducted through the Schools. The Head of Employability and Placements has been recruited to develop CPD business through SBUEL. The Board noted opportunities for developing CPD business internationally and potentially through third parties.

11. **Bahrain JV update**

The Board noted a verbal update on the Bahrain JV.

The Board noted that the agreement between SBUEL and Applied Holding Company (AHC) (Applied Sciences University, Bahrain) is at final drafting stage. The JV company, London Gulf Enterprises & Research Consultancy, will be a subsidiary of SBUEL. The Board noted that a Chief Operating Officer will shortly be recruited by AHC. The JV company will be formally established once the articles, JV agreement, and business plan have been agreed, and final approval has been received from the LSBU Board of Governors. It is intended to launch the company in 2019.

12. **Debtors report**

The Board noted the debtors' report.

13. **Tenant report**

The Board noted the tenants' report.

**Date of next meeting  
2.00 pm, on Tuesday, 24 July 2018**

**Confirmed as a true record**

..... (Chair)

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# Research, Enterprise & Innovation

SBUEL Board Quarterly Update

October 2018

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## 1. Financial Summary

### Enterprise income analysis for 2017/18 Budget

	LSBU	SBUEL
(a) Enterprise Budget	£11,709,370	£3,631,625
(b) Enterprise income YTD actual	£951,264	£153,657
% of budget represented by YTD actual	11%	4%
<b>SBUEL Proportion</b>		<b>31%</b>
Remainder to be earned in year (a) - (b)	£10,758,106	£3,477,968
% of budget represented by remainder	89%	96%

Table 1: Comparison of actual SBUEL Income to annual budget and analysis of income still to be recognised for the year

School	(a) Full Year Budget	Full Year Forecast	Difference between forecast and budget	(b) YTD Actuals	(c) Remainder to be earned in Year	Analysis of Remainder to be earned in Year	
						(d) Contracted Income**	(d) - (c) Variance to Budget
ACI	£300,153	£300,153	£ -	£14,135	£286,019	£287,219	£1,200
APS	£534,626	£534,626	£ -	£29,389	£505,237	£507,000	£1,763
BEA	£651,163	£651,163	£ -	£5,745	£645,418	£290,804	-£354,614
BCM	£354,807	£354,807	£ -	£97,075	£257,732	£143,800	-£113,932
CON	£371,512	£371,512	£ -	£34,795	£336,717	£336,717	£ -
ENG	£416,293	£416,293	£ -	£109,698	£306,595	£314,922	£8,327
HSC	£4,159,515	£4,159,515	£ -	£569,013	£3,590,502	£1,092,314	-£2,498,187
LSS	£297,800	£297,800	£ -	£2,815	£294,985	£226,730	-£68,255
ENTR	£3,125,777	£3,125,777	£ -	£38,173	£3,087,603	£3,016,557	-£71,046
FUNI	£ -	£ -	£ -	£725	-£725	£ -	£725
LILE	£ -	£ -	£ -	£391	-£391	£ -	£391
PVCX	£1,000	£1,000	£ -	£22,219	-£21,219	£1,000	£22,219
PVCY	£85,000	£85,000	£ -	£37,600	£47,400	£85,000	£37,600
RSDS	£996,237	£996,237	£ -	-£111,010	£1,107,247	£1,107,247	£ -
SPRT	£235,487	£235,487	£ -	£70,973	£164,514	£164,514	£ -
STSU	£ -	£ -	£ -	£3,450	-£3,450	£ -	£3,450
TECH	£ -	£ -	£ -	£6,227	-£6,227	£ -	£6,227
RCMT	£180,000	£180,000	£ -	£19,850	£160,150	£162,374	£2,224
<b>Grand Total</b>	<b>£11,709,370</b>	<b>£11,709,370</b>	<b>£ -</b>	<b>£951,264</b>	<b>£10,758,106</b>	<b>£7,736,198</b>	<b>-£3,021,908</b>

\*\* The Contracted income is the full year forecast less YTD Actuals, less New Enterprise target (pipeline budget)

## Overview of Enterprise Performance

Table 2: Sales Pipeline as at end September 2018 (combined SBUEL and LSBU income)

School	Number	Value		Likely value achieved			
				End Sept 2018/19		End Sept 2017/18	
		£	Share %	£	Share %	£	Share %
ACI	7	£38,440	1%	£24,244	3%	£26,764	2%
APS	3	£56,286	1%	£7,507	1%	£734,735	41%
BEA	10	£209,205	4%	£18,633	2%	£157,919	9%
BUS	8	£572,802	11%	£235,175	26%	£36,843	2%
ENG	20	£1,779,414	35%	£502,366	56%	£548,247	31%
HSC	10	£270,816	5%	£59,349	7%	£94,480	5%
LSS	1	£40,000	1%	£ -	0%	£8,586	0%
Other	19	£2,115,725	42%	£52,311	6%	£168,882	10%
<b>Total</b>	<b>78</b>	<b>£5,091,523</b>	<b>100%</b>	<b>£899,585</b>	<b>100%</b>	<b>£940,158</b>	<b>100%</b>

Table 3: Analysis of new sales via REI as at end September 2018 (combined SBUEL and LSBU income)

School	Closed won				Conversion %			
	2018/19 YTD		2017/18 YTD		YTD 2018/19		YTD 2017/18	
	Volume	Value £	Volume	Value £	Volume	Value	Volume	Value
ACI	0	£ -	1	£187,034	0%	0%	100%	100%
APS	0	£ -	1	£600	0%	0%	50%	7%
BEA	0	£ -	1	£154,141	0%	0%	50%	43%
BUS	0	£ -	0	£ -	0%	0%	0%	0%
ENG	0	£ -	3	£6,250	0%	0%	100%	100%
HSC	1	£50,000	4	£201,200	33%	50%	67%	55%
LSS	0	£ -	1	£13,196	0%	0%	100%	100%
Other	0	£ -	0	£ -	0%	0%	0%	0%
<b>Total</b>	<b>1</b>	<b>£50,000</b>	<b>11</b>	<b>£562,421</b>	<b>8%</b>	<b>6%</b>	<b>58%</b>	<b>32%</b>
<b>YoY %</b>	<b>9%</b>	<b>9%</b>			<b>14%</b>	<b>19%</b>		

## 2. Review by B2B line

### a) Global Entrepreneurship

- LSBU's approach to enterprise education won an AdvanceHE Collaborative Award for Teaching Excellence (CATE) which recognised the team's work to embed enterprise across LSBU.
- New Graduate Entrepreneurs have been recruited for 17/18, with the previous cohort completing a Demo Day as part of the Clarence Centre's 5th birthday celebrations.
- Two recent submissions have been made to the British Council to deliver Enterprise Education activities with partners in Uzbekistan and Azerbaijan (£100k for Year 1, with potential funding for Year 2).
- We are preparing a proposal to support Applied Science University (ASU) in Bahrain to deliver training on developing their research environment and enterprise ecosystem.
- We have pulled back from our enterprise work with Long Island University (LIU) due to a change in focus at LIU - we will instead focus our work in North America on our established project with Ryerson. A visit will be made to Ryerson in October 2018 to restart conversations around a soft-landing agreement between the Zones in Toronto and LSBU's incubators.
- We will be hosting the 2nd International SimVenture Competition with Sinocampus in April 2019 - a proposal will be submitted in November 2018 for their agreement.

### b) Tenancy

- The Clarence Centre celebrated its 5th birthday in September 2018 with a day of celebrations including a lunchtime lecture on south London and an Open House for staff and students.
- A new Tenant and Venues strategy has been produced which is underpinned by the new Lease and a more pro-active approach to tenant engagement. This maintains the focus on ensuring 95% occupancy and £1.3million of income from tenancy annually, but takes a more strategic approach to engagement focusing on aligning engagement with LSBU's areas of expertise. There has been a noticeable increase in tenant engagement activity: since 1st August, there have been 13 pieces of tenant engagement, compared to 17 for the whole of 17/18.
- The timeline for moving tenants onto the lease has been delayed again as clarification is required regarding EPC Survey's. Eversheds and Govlegal have been requested to provide advice as to if renewal can occur with EPC surveys being in place in the near future (EPC's are required for Clarence Centre and Technopark but not Blackwells as it already has a section 80 notice to demolish attached to it).

### c) Regeneration

- Existing ERDF portfolio (£6.8m)
- Final negotiation stage on 2 new ERDF contracts LCN London and ACE IT (£2.8m)
- Submitted a £300k proposal to Mayors Digital Talent Programme to deliver a skills support project for students and SMEs. Outcome of this submission will be November.
- Interreg submissions totalling circa £2.5m (Cedaci and NWE empower). We learn the outcome of these submissions on October 25<sup>th</sup>.
- ERDF will be used to directly enhance student experience through student consultancy, placements and employment opportunities.

- Where possible we encourage academics to use their work on ERDF projects as live case studies in the classroom. Including proposals that have recently progressed to 2nd stage ERDF provision between 2018 and 2021 will be significant in 6 of the 7 schools (BEA, ENG, BUS, ACI, APS, HSC).

#### **d) Training**

- Launching a 'shopfront' for all CPD activity and potential leasing of commercial estates for Jan 2019
- Working with Lambeth College to use AEB funding to provide Level 2 courses to employers to help up sell current CPD offering
- Developing a portfolio of off the shelf courses, specifically in BEA and BUS
- 3 partnership agreements in process to work with existing organisations delivering CPD/ Training materials.

#### **AFC Update:**

- LSBU awarded Gold recognition under Defence Relationship Management, the first University in London to achieve this status
- Strategy set out for 2020, to include business development for MOD contracts and increasing student numbers through ELCAS scheme.

#### **e) Income Diversification**

- Low sales in first quarter but development work has led to the following submissions on which we are waiting for decisions; one Horizon 2020, two Innovate UK
- Continuing to develop relationship with Armed Forces where we have a number of initiatives under discussion
- Following the completion of a commissioned market research study looking at the triple helix covering areas of LSBU expertise, market requirements and funding (predominately through the Industrial Strategy) a more proactive and targeted approach to new business is being implemented. This is in cooperation with Enterprise, Research and external bid writers
- Identifying ways to encourage academic involvement of commercialising research through rewards. Looking at models for licensing and leveraging IP.
- Continuing to monitor KEF developments – latest update is that another advisory paper will be delivered to BEIS by end of 2018 and it has been suggested therefor that summer 2019 will be the earliest that KEF will be introduced although this is yet to be confirmed.

#### **f) Apprentices**

Reporting for Apprenticeships will begin once it has officially been moved into SBUEL (currently expected in January 2019)

### 3. People and Organisation

Below are details of the current staffing levels in Research, Enterprise and Innovation.

	Total number of Positions	Current Vacant positions
LSBU	23	0
SBEUL	26	7 (4 newly created positions)
<b>Total</b>	<b>49</b>	<b>7</b>

#### Institutes:

The team is currently understaffed, and we are currently recruiting for:

- Senior Business Development Manager
- Business Development Manager
- Business Development Support Officer

We are also recruiting for a KTP Associate

Recruiting has been an issue with time delays between requesting through iTrent to actually having adverts go live. In some cases this has amounted to almost two months. The matter has been raised with HR as this level of service provision is having an effect on both the available resource to deliver and also on team morale.

We are now engaging an Executive Recruitment company who specialise in KE recruitment as it is essential to engage experienced and successful KE development practitioners as soon as possible.

#### Strategic Projects:

Adverts are currently live for the following vacancies:

- Project Manager for ERDF funded LCN London
- Project Manager for ERDF funded ACE IT Project
- Projects Marketing Officer
- Innovation Projects Coordinator (ACE IT and LCN London)
- LAFIC Project Coordinator

We have recently appointed a Strategic Projects Coordinator to support on International Enterprise Projects (Fresh Start and ETEE)

## 4. Systems and Reporting

### Research and Enterprise Manager (HAPLO)

- Research and Enterprise Manager is a newly implemented system that provides end-to-end bid and project management.
- The system will be used by staff across REI, Finance, GovLegal and Schools/PSG's
- Our pilot was launched Monday 24 September and will replace Raisers Edge and SharePoint for new proposals only entered by REI staff only.
  - o Raisers Edge (CRM that is currently used for the tracking and reporting of a proposal)
  - o SharePoint allows workflow approval of financial and contractual items
  - o Share Drive for collation of documentation relating to the proposal/project
- It is expected that the pilot will continue up to the end of Nov 2018 and will be rolled out to the wider university in conjunction with go live of the Ethics module within the same system

## **5. SBUEL Management Accounts**

See attached spreadsheet with Enterprise Income Accounts.

## **6. Non Standard Reporting**

### **a) Shareholdings update**

This is ongoing and should be completed in time for the next quarterly report. In analysing the available data it was decided by Head of Institutes that a more thorough due diligence, both financial and operational (including interviews) was required before any decision on whether SBUEL should continue its involvement with these organisations and if so on what basis and who from the Enterprise team should be account managing them.



## 7. Appendix

### a) Appendix 1: Enterprise pipeline by School/Project

School	Department	Project Name	Enterprise Manager	Principal Investigator	Client	Category	Project value	Likelihood %	Likely project value	Date Started
ACI	ACI - Film & Media	cdei_013_VFX_LSBU_2018	Peter Hadfield	Unknown	ACI VFX Dept	Short Courses	£300	50	£150	04/03/2018
	ACI - Creative Technologies	CPD courses	Peter Hadfield	Janet Jones	LSBU School ACI	Short Courses	£25,000	75	£18,750	15/09/2017
	ACI - Creative Technologies	Short Course Film Editing	Peter Hadfield	Unknown	ENTR General Business Development Opportunities PH	Short Courses	£2,000	50	£1,000	30/08/2017
	ACI - Film & Media	short course Green Screen Practioner	Peter Hadfield	Unknown	ENTR General Business Development Opportunities PH	Short Courses	£300	50	£150	29/06/2017
	ACI - Film & Media	cdei-028tbigcleverlearning-film-training	Peter Hadfield	Unknown	big clever learning	Other IGA	£5,040	50	£2,520	29/06/2017
	ACI - Creative Technologies	CDEI_014_SummerCourse_SoundStudioEngineering	Peter Hadfield	Justin Randall	ENTR General Business Development Opportunities PH	Short Courses	£2,800	33	£924	11/01/2017
	ACI - Arts & Performance	CDEI_013_SummerCourse_IntroToVisualFX	Peter Hadfield	Unknown	ENTR General Business Development Opportunities PH	Short Courses	£3,000	25	£750	14/12/2016
<b>ACI</b>		<b>7</b>					<b>£38,440</b>		<b>£24,244</b>	
APS	APS - Food Sciences	G055_2_Sous Vide	Nicola Bourke	Chris Brock	Innovate UK	Intellectual Property	£31,286	20	£6,257	12/09/2018
	APS - Food Sciences	High-Pressure Processing	Baljinder Ghoman	Unknown	Bearfields	Knowledge Exchange	£0	5	£0	19/06/2018
	APS - Psychology	KE083_FortisDay_Circadian Lighting	Baljinder Ghoman	Gordon Lowry	Fortis Day	Knowledge Exchange	£25,000	5	£1,250	30/09/2017
<b>APS</b>		<b>3</b>					<b>£56,286</b>		<b>£7,507</b>	
BEA	BEA - Civil & Building Services Engineering	Internships	Baljinder Ghoman	Unknown	Andrew Reid & Partners	Student Enterprise	£0	5	£0	27/06/2018

School	Department	Project Name	Enterprise Manager	Principal Investigator	Client	Category	Project value	Likelihood %	Likely project value	Date Started
Page 18	BEA - Civil & Building Services Engineering	M&E Risk Analysis	Baljinder Ghoman	Unknown	Andrew Reid & Partners	Knowledge Exchange	£0	5	£0	27/06/2018
	BEA - Civil & Building Services Engineering	AFC CPD & Training	Baljinder Ghoman	Unknown	Andrew Reid & Partners	Short Courses	£0	5	£0	27/06/2018
	BEA - Construction, Property, & Surveying	BIM Ports	Baljinder Ghoman	Unknown	Beckett Rankine	Knowledge Exchange	£0	5	£0	18/06/2018
	BEA - Construction, Property, & Surveying	SCi126_BEA_HTA_Innovation in construction	Baljinder Ghoman	Herbert Robinson	HTA Design	Contract Research	£0	0	£0	20/02/2018
	BEA - Civil & Building Services Engineering	SCi115_BEA_Short Course_IOA_certificate on competence Oct18	Neil Pearce	Dr Luis Gomez	ENTR General Business Development Opportunities CH	Short Courses	£21,420	25	£5,355	19/01/2018
	BEA - Architecture	G061_UNISDR City-to-City Learning Exchange Programme	Innvotek Innvotek	Charles Egbu	ENTR General Business Development Opportunities MG	Contract Research	£50,000	5	£2,500	19/01/2018
	BEA - Architecture	KE125_Soundisplay Limited IUK	Baljinder Ghoman	Federico Rossi	Soundisplay Limited	Knowledge Exchange	£60,000	5	£3,000	12/12/2017
	BEA - Civil & Building Services Engineering	Energy Entrepreneurs Fund - ICAX	Baljinder Ghoman	Aaron Gillich	ICAX	Knowledge Exchange	£35,000	10	£3,500	28/11/2017
	BEA - Civil & Building Services Engineering	SCi076_Thermaflex Systems Ltd_Innovate UK_Energy Catalyst Rd 5 Funding	Colin Stakem	Judith Evans	Thermaflex Systems Ltd	Contract Research	£42,785	10	£4,278	22/06/2017
<b>BEA</b>		<b>10</b>				<b>£209,205</b>		<b>£18,633</b>		
BUS	BUS - Management, Marketing & People	cdei_055-Blckchain_Funding_edgesports_2018	Peter Hadfield	Unknown	Edge eesports	Other IGA	£400,000	50	£200,000	11/09/2018
	BUS - Business & Enterprise	H561_NHS SBS OB Consultancy	Natalie Gough	Karin Moser	NHS Shared Business Service	Consultancy	£1,900	50	£950	29/09/2017
	BUS - Management, Marketing & People	KE115_KFAS_Accredited_and_NonA_SC_20170714	Neil Pearce	Mike Molan	Kuwait Foundation for the Advancement of Sciences	Short Courses	£57,500	20	£11,500	14/07/2017
	BUS - Management, Marketing & People	SP_022 Developing Innovation Performance of SMEs across NWE (DIPSAN)	Nicoletta Bonansea	Stephen Barber	Interreg B NWE	Regeneration Programme	£38,952	10	£3,895	24/05/2017
	BUS - Business & Enterprise	KE085_Crown Agents_Short Courses	Neil Pearce	Chris Matthews	Crown Agents	Knowledge Exchange	£12,650	100	£12,650	25/04/2017
	BUS - Management, Marketing & People	SP_019 Developing the cross cultural skills of graduates in response to the needs of European enterprise (DCCSGNEE)	Nicoletta Bonansea	Karin Moser	Erasmus+	Regeneration Programme	£47,800	10	£4,780	29/03/2017

School	Department	Project Name	Enterprise Manager	Principal Investigator	Client	Category	Project value	Likelihood %	Likely project value	Date Started
	BUS - Business & Enterprise	KE045_SAA School of Management _Turin PG Cert in Global Entrepreneurship_KTP_28102016	Neil Pearce	Thor Ingvarsson	SAA School of Management	Knowledge Exchange	£0	0	£0	28/10/2016
	BUS - Management, Marketing & People	KE044_Hanze University_Groningen Short Course Delivery_KTP_29032016	Neil Pearce	Dag Bennett	Hanze University of Applied Sciences	Contract Research	£14,000	10	£1,400	30/03/2016
<b>BUS</b>		<b>8</b>					<b>£572,802</b>		<b>£235,175</b>	
Page 19 ENG	ENG - Chemical & Petroleum Engineering	Micro-CT Sample Analysis	Baljinder Ghoman	Unknown	Strata Technology	Knowledge Exchange	£0	5	£0	20/06/2018
	ENG - Computer Science & Informatics	IT Infrastructure	Baljinder Ghoman	Unknown	Bearfields	Knowledge Exchange	£0	5	£0	19/06/2018
	ENG - Electrical & Electronic Engineering	Rail Industry	Baljinder Ghoman	Unknown	Whippendell Marine	Knowledge Exchange	£0	5	£0	12/06/2018
	ENG - Mechanical Engineering & Design	Recycled Glass: Life-Cycle Analysis	Baljinder Ghoman	Deborah Andrews	Urbn Rok	Knowledge Exchange	£0	5	£0	11/06/2018
	ENG - Mechanical Engineering & Design	LEAN Manufacturing	Baljinder Ghoman	Unknown	LEAD Limited	Enterprise Support	£0	5	£0	01/06/2018
	ENG - Computer Science & Informatics	KE133_AI & ML	Baljinder Ghoman	Unknown	PJ Bridgman	Knowledge Exchange	£0	0	£0	30/04/2018
	ENG - Electrical & Electronic Engineering	SCi134_ENG_Short Courses_ChongQing Water Resources and Electric Engineering College	Neil Pearce	Perry Xiao	ChongQing Water Resources and Electric Engineering College	Other IGA	£15,000	10	£1,500	17/04/2018
	ENG - Chemical & Petroleum Engineering	SCi130_BEA_Consultancy_Langley_fire research	Neil Pearce	Claire Benson	Langley UK Ltd	Consultancy	£5,000	10	£500	27/03/2018
	ENG - Computer Science & Informatics	SCi120_ENG_Knowledge Exchange_Cereno_Innovate UK Strand 2 - Emerging and Enabling Technologies	Innvotek	George Ubakanma	nuVa Enterprises	Knowledge Exchange	£100,000	10	£10,000	26/03/2018
	ENG - Computer Science & Informatics	KE128_Block Chain	Baljinder Ghoman	Tasos Dag	Zeetta Networks	Knowledge Exchange	£150,000	5	£7,500	12/02/2018
	ENG - Mechanical Engineering & Design	SCi121_ENG_Knowledge Exchange_Kelvion_KTP	Baljinder Ghoman	Graeme Maidment	Kelvion Searle	Knowledge Exchange	£150,000	10	£15,000	30/01/2018
	ENG - Computer Science & Informatics	SCi118_Eng_Making Engineering Hot_AFBE UK	Baljinder Ghoman	Safia Barikzai	AFBE-UK	Short Courses	£16,000	50	£8,000	24/01/2018
ENG - Computer Science & Informatics	SCi117_Eng_RoboGal workshops_Francis Holland Primary School	Baljinder Ghoman	Safia Barikzai	Francis Holland Primary School	Short Courses	£12,000	75	£9,000	24/01/2018	
ENG - Computer Science & Informatics	KE129_Travelable	Baljinder Ghoman	Phillip Burrell	Amplified Robot	Knowledge Exchange	£0	5	£0	16/01/2018	

School	Department	Project Name	Enterprise Manager	Principal Investigator	Client	Category	Project value	Likelihood %	Likely project value	Date Started
	ENG - Mechanical Engineering & Design	KE131_Code Black	Baljinder Ghoman	Deborah Andrews	Amplified Robot	Knowledge Exchange	£0	5	£0	15/01/2018
	ENG - Mechanical Engineering & Design	KE124_Linear Motor Control	Baljinder Ghoman	Maz Shirkhoori	Open Date Equipment Ltd	Knowledge Exchange	£150,000	5	£7,500	30/11/2017
	ENG - Computer Science & Informatics	KE121_KTP_Zzish_07092017	Baljinder Ghoman	Alessio Corso	zzish	Knowledge Exchange	£150,000	5	£7,500	09/11/2017
	ENG - Mechanical Engineering & Design	G043_Interreg_CEDACI	Nicola Bourke	Deborah Andrews	Interreg B NWE	Regeneration Programme	£831,813	50	£415,906	10/08/2017
	ENG - Electrical & Electronic Engineering	SCi081_ENG_OpenDate_Innovate UK Materials and Materials Round 4	Colin Stakem	Maz Shirkoohi	Open Date Equipment Ltd	Contract Research	£159,101	10	£15,910	03/07/2017
	ENG - Computer Science & Informatics	SP_020 Multi-language Creative Platform for SMS Notification as a Innovative method in high education (MLCP)	Nicoletta Bonansea	Shushma Patel	Erasmus+	Regeneration Programme	£40,500	10	£4,050	29/03/2017
<b>ENG</b>		<b>20</b>					<b>£1,779,414</b>		<b>£502,366</b>	
Page 20  HSC	HSC - Institute for Leadership and Practice Innovation	H608_HSIL_International Programme	Anam Farooq	Becky Malby	ENTR General Business Development Opportunites AF	Short Courses	£0	10	£0	05/09/2018
	HSC - Mental Health & Learning Disability	H634_KE_WYSA_WYSA NIHR	Natalie Gough	Sally Hardy	WYSA	Knowledge Exchange	£0	0	£0	04/09/2018
	HSC - Institute for Leadership and Practice Innovation	H627_Consultancy_HSIL_Chel/West QI	Anam Farooq	Becky Malby	Imperial College Health Partners	Consultancy	£0	0	£0	15/08/2018
	HSC - Mental Health & Learning Disability	H617_AppRes_HEEKSS_Anxiety	Nicola Bourke	Sally Hardy	Health Education England	Contract Research	£14,000	15	£2,100	21/05/2018
	HSC - Mental Health & Learning Disability	H616_AppRes_HEEKSS_Pain recognition	Nicola Bourke	Sally Hardy	Health Education England	Contract Research	£14,000	15	£2,100	21/05/2018
	HSC - Primary & Social Care	H613_AppRes_Wellcome Trust	Nicola Bourke	Nicki Thomas	Wellcome Trust	Contract Research	£146,785	15	£22,018	27/04/2018
	HSC - Allied Health Sciences	H611_AppRes_HEFCE_CFA	Neil Pearce	Adele Stewart-Lord	Higher Education Funding Council for England	Contract Research	£49,964	15	£7,495	23/04/2018
	HSC - Mental Health & Learning Disability	H599_Short Courses_PRU_Children Challenging Behaviour	Nicola Bourke	Nik Mahoney	Camden Council	Short Courses	£19,400	5	£970	15/03/2018
	HSC - Mental Health & Learning Disability	H601_Short Courses_KCH	Nicola Bourke	Jo Delree	Kent Community Health NHS Trust	Short Courses	£18,667	100	£18,667	09/03/2018

School	Department	Project Name	Enterprise Manager	Principal Investigator	Client	Category	Project value	Likelihood %	Likely project value	Date Started
	HSC - Mental Health & Learning Disability	H596_Short Courses_YoT	Natalie Gough	Monique Mahoney	Criminal Justice Board	Short Courses	£8,000	75	£6,000	22/02/2018
<b>HSC</b>		<b>10</b>					<b>£270,816</b>		<b>£59,349</b>	
LSBU	LSBU Match funded	SP_026_ACE IT Ministry of Sound	Peter Hadfield	Unknown	ERDF	Regeneration Programme	£0	0	£0	10/11/2017
<b>LSBU</b>		<b>1</b>					<b>£0</b>		<b>£0</b>	
LSS	LSS - Social Sciences	H624_AppRes_Arts Council England_In Harmony Evaluation	Natalie Gough	Yvonne Robinson	Arts Council England	Contract Research	£40,000	0	£0	09/07/2018
<b>LSS</b>		<b>1</b>					<b>£40,000</b>		<b>£0</b>	
Page 21 Unknown	Unknown	H644_Consultancy_HQIP_MHCORP	Natalie Gough	Unknown	Healthcare Quality Improvement Partnership	Consultancy	£1,900,000	0	£0	24/09/2018
	Unknown	H633_KE_Neo-Innovations UK_findmynurse IUK	Natalie Gough	Nicki Thomas	NEO-INNOVATIONS UK LIMITED	Knowledge Exchange	£9,750	0	£0	18/09/2018
	Unknown	H640_KE_Chanua Health_Neurochamps	Natalie Gough	Nicki Martin	Chuana Health	Knowledge Exchange	£0	0	£0	13/09/2018
	Unknown	cdei_056__BespokeMasters_TUCO_2018	Peter Hadfield	Unknown	The University Caterers Organisation Ltd	Other IGA	£100,000	50	£50,000	10/09/2018
	Unknown	TBC_KTP_KYMIRA_INFRARED	Natalie Gough	Unknown	KYMIRA	Knowledge Exchange	£0	0	£0	04/09/2018
	Unknown	H629_Consultancy_CLCH_Academy	Natalie Gough	Lesley Marsh	Central London Community Healthcare	Consultancy	£100,000	0	£0	16/08/2018
	Unknown	TBC mentalsnapp	Natalie Gough	Paula Reavey	ENTR General Business Development Opportunities NG	Knowledge Exchange	£0	0	£0	25/07/2018
	Unknown	TBC_UriSecure	Natalie Gough	Rachel Leaver	ENTR General Business Development Opportunities NG	Knowledge Exchange	£9,785	0	£0	25/07/2018
	Unknown	Autonomous Robotics	Baljinder Ghoman	Unknown	ASM Pacific Technology Limited	Knowledge Exchange	£0	5	£0	12/07/2018
	Unknown	cdei_053_Film Production_BoxBear_2018	Peter Hadfield	Unknown	Box Bear Productions Ltd	Letting Of Facilities	£0	100	£0	06/07/2018

School	Department	Project Name	Enterprise Manager	Principal Investigator	Client	Category	Project value	Likelihood %	Likely project value	Date Started
Page 22	Unknown	Cognition Way Finding	Baljinder Ghoman	Unknown	Maynard Design Consultancy	Knowledge Exchange	£0	5	£0	14/06/2018
	Unknown	NWE Empower	Nicoletta Bonansea	Karin Moser	Interreg B NWE	Regeneration Programme	£0	50	£0	31/05/2018
	Unknown	SCi131_BEА_event_ASHRAE	Baljinder Ghoman	Unknown	ENTR General Business Development Opportunities CH	Letting Of Facilities	£500	75	£375	03/04/2018
	Unknown	SCi128_BEА_event_PassivhausAwards	Baljinder Ghoman	Unknown	ENTR General Business Development Opportunities CH	Letting Of Facilities	£800	15	£120	09/03/2018
	Unknown	SCi129_BEА_event_ASPEG_Healthy Buildings Conference	Baljinder Ghoman	Unknown	ENTR General Business Development Opportunities CH	Letting Of Facilities	£1,800	10	£180	09/03/2018
	Unknown	SCi127_Eng_AI and data analytics for the built environment	Baljinder Ghoman	Unknown	HTA Design	Contract Research	£0	0	£0	20/02/2018
	Unknown	KE126_CPD_LHF_Training AcademyForHomelessnesWorkers_15122017	Neil Pearce	Andrew Summers	London Housing Foundation	Short Courses	£0	0	£0	22/12/2017
	Unknown	CDEI_032_Location Works_SpaceHire	Peter Hadfield	Unknown	Location Works Michael Roberson	Letting Of Facilities	£1,925	85	£1,636	29/11/2017
Unknown		<b>18</b>				<b>£2,124,560</b>		<b>£52,311</b>		
<b>GRAND TOTALS</b>		<b>78</b>				<b>£5,091,522</b>		<b>£899,587</b>		

2017-18 Enterprise income

Total Enterprise		<u>(11,709,370) (11,709,370) 0</u>			<u>(951,264) (10,758,106) (11,709,370)</u>		<u>(4,120,457) (4,120,457)</u>		
Smtareas	Smtareas (T)	Full year budget	Full year forecast	Full year variance to budget	YTD actuals	To recognise	Budget	Remaining forecast	Reduction in New Projects targeted
				0					
CATR	Catering			0					
DACI	School of Arts & Creative Industries	(300,153)	(300,153)	0	(14,135)	(286,019)	(219,996)	(219,996)	
DASC	School of Applied Sciences	(534,626)	(534,626)	0	(29,389)	(505,237)	(348,421)	(348,421)	
DBCM	School of Business	(354,807)	(354,807)	0	(97,075)	(257,732)	(116,807)	(116,807)	
DBEA	School of the Built Environment & Architecture	(651,163)	(651,163)	0	(5,745)	(645,418)	(360,000)	(360,000)	
DCON	Confucius	(371,512)	(371,512)	0	(34,795)	(336,717)			
DENG	School of Engineering	(416,293)	(416,293)	0	(109,698)	(306,595)			
DHSC	School of Health & Social Care	(4,159,515)	(4,159,515)	0	(569,013)	(3,590,502)	(2,789,233)	(2,789,233)	
DLSS	School of Law & Social Science	(297,800)	(297,800)	0	(2,815)	(294,985)	(206,000)	(206,000)	
EMPL	Employment & Training			0					
ENTR	Research Enterprise & Innovation	(3,125,777)	(3,125,777)	0	(38,173)	(3,087,603)	(80,000)	(80,000)	
FDIN	Finance			0					
FUNI	Unallocated Infrastructure			0	(725)	725			
LILE	Library & Learning Resources			0	(391)	391			
PVC	Marketing, Recruitment & Admissions	(1,000)	(1,000)	0	(22,219)	21,219			
PVC	Internationalisation	(85,000)	(85,000)	0	(37,600)	(47,400)			
RCMT	LSBU Recruitment Agency	(180,000)	(180,000)	0	(19,850)	(160,150)			
RSDS	Residences	(996,237)	(996,237)	0	111,010	(1,107,247)			
SPRT	Academy of Sport	(235,487)	(235,487)	0	(70,973)	(164,514)			
STSU	Student Services & Employment			0	(3,450)	3,450			
TECH	Technicians			0	(6,227)	6,227			
UTCO	Development Projects			0					

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South Bank University Enterprises Ltd budget 2018

	Total	REI	ERDF projects	Facilities hire	Brandmovers	APS	BEA	ENG	HSC	Recruitment Agency	Marketing
Enterprise - Funding Grants	(567,033)	(567,033)									
Enterprise - Research Related Activities	(342,191)				(202,193)	(134,998)	(5,000)				
Enterprise - Other	(2,683,036)		(802,562)	(1,393,152)		(10,000)		(136,000)	(160,322)	(180,000)	(1,000)
<b>Total Income</b>	<b>(3,592,259)</b>	<b>(567,033)</b>	<b>(802,562)</b>	<b>(1,393,152)</b>	<b>(202,193)</b>	<b>(144,998)</b>	<b>(5,000)</b>	<b>(136,000)</b>	<b>(160,322)</b>	<b>(180,000)</b>	<b>(1,000)</b>
Academic - Permanent staff	347,622				202,193	54,546		81,212	9,671		
Support - Permanent staff	1,327,969	839,989	155,569	165,579						166,832	
Third party staff	52,335								47,335	5,000	
<b>Total Staff Costs</b>	<b>1,727,926</b>	<b>839,989</b>	<b>155,569</b>	<b>165,579</b>	<b>202,193</b>	<b>54,546</b>		<b>81,212</b>	<b>57,006</b>	<b>171,832</b>	
Staff Related	78,650	58,850		5,800		1,000		10,000		3,000	
Marketing and PR	189,159	50,076	118,083	12,000						9,000	
Bursaries and Scholarships											
Student Related	3,000						3,000				
Equipment	80,310					80,310					
Computing	75,088	7,000	57,421	9,000				1,667			
Utilities	348,500			348,500							
Maintenance & Other Estate	12,000			12,000							
Cleaning & Security											
Financial											
Communications	15,000			15,000							
Legal & Professional	253,288	59,891	135,367	6,000			10,000	7,000		35,030	
Subscriptions and Membership Fees	38,469	1,669		35,600						1,200	
Photocopying and Stationery	7,883	1,338		5,000						1,545	
Other	77,150	43,000		15,000			5,000	4,850		9,300	
Internal Recharges	23,430	10,430		10,000				3,000			
<b>Total Other Operating Expenses</b>	<b>1,201,926</b>	<b>232,254</b>	<b>310,871</b>	<b>473,900</b>		<b>81,310</b>	<b>3,000</b>	<b>25,000</b>	<b>16,517</b>	<b>59,075</b>	
<b>Contribution</b>	<b>(662,407)</b>	<b>505,210</b>	<b>(336,122)</b>	<b>(753,673)</b>		<b>(9,142)</b>	<b>(2,000)</b>	<b>(29,788)</b>	<b>(86,799)</b>	<b>50,907</b>	<b>(1,000)</b>
<b>Contribution %</b>	<b>18.4%</b>	<b>(89.1)%</b>	<b>41.9%</b>	<b>54.1%</b>		<b>6.3%</b>	<b>40.0%</b>	<b>21.9%</b>	<b>54.1%</b>	<b>(28.3)%</b>	<b>100.0%</b>

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	INTERNAL
Paper title:	LSBU Employment Annual Report
Board/Committee:	SBUEL
Date of meeting:	05 November 2018
Author(s):	Kirsteen Coupar, Director of Student Services Emma Cant, LSBU Employment Manager
Sponsor(s):	Paul Ivey
Purpose:	For Approval
Recommendation:	The Board is requested to approve the 2% bonus for the agency manager. To agree business priorities for the coming year.

## Executive Summary

1. LSBU Employment began trading on January 3rd 2018 with the LSBU Graduate Internship Scheme (69 internships).
2. The focus of the agency has been to fill all internal temporary vacancies. A supply chain was set up with Adecco and Step Ahead to fill any technical roles they were unable to fill themselves. We have only used this twice for technical roles and LSBU employment has filled all other roles.
3. The business case set financial targets for LSBU employment from 2017 to 2020. In year 1 (2016/2017) a loss of over £100,000 was predicted. This was expected due to start-up costs and staffing costs as the business built. The end of year profit was over £14,000, a significantly positive result against expectations.
4. At present we pay Keystone (our partner company) 0.60p per hour on every hour we charge for, as they provide payroll services for us. As of October 2018 this has amounted to nearly £40,000 and we will be exploring ways to bring this activity within LSBU to maximise savings to the university, including recruiting managers.

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# LSBU Employment Annual Report 2017-2018

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## Document Properties

Author:	Kirsteen Coupar, Director of Student Services. Emma Osbourne, LSBU Employment Manager
Owner:	Kirsteen Coupar
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Creation Date:	16/10/18
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## Document History

Version	Date	Comments
V0.1	16/10/18	Authors Draft

## Executive Summary

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## Operations

### Staffing

Emma Osborne (Cant) was appointed as LSBU Employment Manager. A recruitment consultant joined at the start of 2018. As the business case did not include an administrator/resourcer post in Year 1, the agency applied for a graduate intern who joined the team in the first quarter.

As of October, a second recruitment consultant is currently being sourced.

### Student engagement

In 2017/18, 908 students registered for work with the agency. As of 16<sup>th</sup> October 2018, 3095 students are now registered with the agency.

### Awarded Contracts

#### Internal

- June 2018 – LSBU Clearing and Enrolment (90 and 67)
- June 2018 – Summer finance internships (11)
- June 2018 – Enterprise internships (16)
- July 2018 – LSBU Invigilator contract awarded

#### External

- April 2018 – Southwark Council Local Elections postal vote verification (82 roles)
- May 2018 – Southwark Council Local elections counters (42)

#### Smaller external contracts

- Operational Intelligence
- FYM
- UAE South Bank
- FMG Social
- Swoon
- Barrio Digital

## Internal engagement (LSBU)

Although most internal line managers are using LSBU employment there still remains a small number who are recruiting temporary staff independent of HR and submit temporary timesheets to finance to pay directly. We will be addressing this non-compliance in the next year of operations

## Financials

### Margin

Margin for internal sales is 9% (prior costs lowered by competitors to 7% plus VAT that meant full charge was 0.60p per hour more expensive than LSBU Employment)

Margin for external sales is 17% (sector norms 15-25%)

### Sales and Savings

	(£s)	# assignments	# Hours
Internal Sales	515,642	566	46,973
External Sales	36,895	145	2,980
<b>VAT Savings</b>	94,392		
<b>Total</b>	<b>646,929</b>	<b>711</b>	<b>49,953</b>

### Operating Costs

Agency staff payroll	490,107
Payroll costs (external)	12,444
Permanent Staff costs	80,761
Opex	49,280
<b>Total Operating Costs</b>	<b>632,592</b>

**Total contribution to LSBU £14, 337**

## Plans for 18/19 and recommendations

- External Business model to be developed and executed.
- Investigate bringing the payroll in-house to increase savings.
- Increase internal engagement addressing all noncompliance to recruiting staff.
- Board to send communications to all line managers stating mandatory use of LSBU Employment for all temporary roles.
- Increase internal engagement by working with finance to ensure no timesheets are submitted directly.

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	INTERNAL
Paper title:	2017/2018 Staff Bonus Consideration
Board/Committee:	SBUEL Board
Date of meeting:	05 November 2018
Author(s):	Paul Ivey – Managing Director SBUEL
Purpose:	For Approval
Recommendation:	The Board is asked to review the initial decision and subsequent moderation of staff bonuses for performance during the 2017/2018 business year and then make a final decision for each member of SBUEL staff.

## Executive Summary

SBUEL employees are considered on an annual basis for salary bonuses following a performance assessment based as follows:

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

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

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

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

The appendix to this paper sets out the initial decision and suggested moderation for each member of staff which will be circulated to directors separately.

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# Agenda Item 9

	CONFIDENTIAL
Board:	SBUEL Board of Directors
Date:	5 November 2018
Paper title:	Audit findings
Author:	Rebecca Warren, Accountant
Recommendation:	The Board is requested to consider the audit findings for SBUEL.

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South Bank Enterprises Ltd.  
103 Borough Road  
London  
SE1 0AA

30 October 2018

Dear Sirs,

**ISA260 report: Audit of the 2017-18 Financial Statements for South Bank University Enterprises Ltd.**

This letter presents our key findings from our audit of the 2017-18 accounts of South Bank University Enterprises Ltd. It supports the opinions and conclusions that we are required to provide you with, to comply with the requirements of *ISA 260 Communication of Audit Matters with Those Charged with Governance (ISA 260)*, in this case the Board of Directors, at the time when they are considering the financial statements.

***Objective of our audit***

Our audit work was designed to consider whether the financial statements of South Bank University Enterprises Ltd. give a true and fair view of its state of affairs as at 31 July 2018 and of its results for the year to 31 July 2018 and that the financial statements have been properly prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006.

You will appreciate that our routine audit work is designed to enable us to form an audit opinion on the financial statements of South Bank University Enterprises Ltd. and should not be relied upon to disclose errors or irregularities which are not material in relation to those financial statements.

***Our independence***

ISA 260 requires us to communicate at least once a year regarding all relationships between KPMG and South Bank University Enterprises Ltd. that may be reasonably thought to have a bearing on our independence. We have made enquiries of all KPMG teams providing services to South Bank University Enterprises Ltd. and are not aware of any relationships which present independence issues. A statement of our independence is included within appendix one. The following non-audit fees were paid by South Bank University Enterprises Ltd. to KPMG LLP in the year ended 31 July 2018: Tax assurance services: £5,491.



### ***Audit progress and status***

Our audit of the 2017-18 financial statements remains ongoing. The followings tasks are outstanding:

- Testing of revenue and cost of sales;
- Review of disclosures;
- Tax calculation.

We expect to issue an unmodified audit opinion following approval by your Board, subject to receipt of a satisfactory response from South Bank University Enterprises Ltd. in respect of our 2017-18 Management Representations Letter.

### ***Audit differences***

We are required by ISA 260 - Communication of Audit Matters to Those Charged with Governance to communicate all uncorrected misstatements, other than those that we believe are clearly trivial, to South Bank University Enterprises Ltd.

Our audit identified two adjusted audit differences. Details of the identified adjustments are provided in Appendix two of this letter. We have not identified any material unadjusted audit differences.

We have not raised any recommendations in relation to our audit.

Yours sincerely,

Fleur Nieboer  
Partner, *KPMG LLP*



## **Appendix 1- *Statement of Independence***

To the Board of Directors

### **Assessment of our objectivity and independence as auditor of South Bank University Enterprises Ltd. (the Company)**

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

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

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

#### **General procedures to safeguard independence and objectivity**

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

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

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



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

We have provided tax assurance services to SBUEL costing £5,491 (ex VAT). This work is conducted by a team independent of the audit team. We are satisfied that appropriate safeguards are in place to maintain our independence.

### **Independence and objectivity considerations relating to other matters**

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Board of Directors.

### **Confirmation of audit independence**

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Partner and audit staff is not impaired.

This report is intended solely for the information of the Board of the company and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.





## Appendix 2 - Audit Differences

This appendix sets out the significant audit differences identified during the audit for the year ended 31 July 2018.

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Board of Directors with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate.

We have not identified any unadjusted audit differences during the course of our audit.

Under UK auditing standards (ISA UK&I 260) we are required to provide the Board of Directors with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Adjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	2018-19 NNDR Rates expenditure	(£75k)	£75k	Invoices paid during 2017-18 relating to 2018-19 NNDR rates had not been appropriately pro-rated and recognised as a prepayment.
2	SBUEL/LSBU Consultancy Costs	(£219k)	£219k	£219k of consultancy costs relating to Lambeth College were processed through SBUEL and not recharged to the University.
Total		(£294k)	£294k	

### Appendix 3- Audit Recommendations

The recommendations raised as a result of our work in the current year are as follows:

No.	Risk	Issue and recommendation	Management response/responsible officer/due date
1	2	<p><b>Allocation of consultancy costs</b></p> <p>We identified consultancy costs that were charged wholly to South Bank University Enterprises when £219k of these costs related to LSBU in respect of consultancy for the acquisition of Lambeth College, because this consultant had historically provided services to SBUEL.</p> <p>We recommend that management review costs that relate to shared expenditure at year-end to ensure they have been appropriately apportioned between LSBU and SBUEL.</p>	<p><b>Agreed</b></p> <p>The key members of the Financial Accounting team now fully understand that invoices (or parts of invoices) relating to the acquisition of Lambeth College do not relate to SBUEL. We will continue to pay the invoices for the particular consultant through SBUEL because they relate partially to SBUEL, but will apportion them quarterly (as part of the preparation of the VAT return, for which the invoices will also need to be apportioned) and recharge the Lambeth element to the University. More widely, the Financial Accounting team, and other Finance staff where appropriate, will look out for consultancy transactions that may not relate to SBUEL, because consultancy can be a particularly sensitive area when it comes to classification of expenditure.</p> <p><b>Responsible officer:</b> Rebecca Warren, Head of Financial Accounting</p> <p><b>Due Date:</b> Ongoing, linked to quarterly VAT cycle</p>

	INTERNAL
Paper title:	South Bank University Enterprises Ltd statutory accounts for the year ended 31 July 2018
Board/Committee:	South Bank University Enterprises Ltd Board
Date of meeting:	05 November 2018
Author(s):	Rebecca Warren, Head of Financial Accounting
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Approval
Recommendation:	The Board is requested to approve the statutory accounts.

## Comments

The tax figures which appear in notes 5 and 6 of the accounts are being calculated by the auditors, and the draft figures will be presented at the meeting (all figures which need to be updated are highlighted in red). Because SBUEL has made a profit, a Gift Aid payment will be made – again, the auditors will provide the amount, which will be disclosed in note 5 but will not affect the face of the profit and loss account.

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**South Bank University Enterprises Limited**

**Report and Financial Statements**

**31 July 2018**

DRAFT

# **South Bank University Enterprises Limited**

## **Report and financial statements 2018**

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# **South Bank University Enterprises Limited**

## **Report and financial statements 2018**

### **Officers and professional advisers**

#### **Directors**

Professor Paul Ivey (Chair)

Mr Michael Cutbill

Mrs Mandy Eddolls – appointed 15 August 2017, resigned 14 June 2018

Mr Richard Flatman

Mr Gurpreet Jagpal – resigned 14 June 2018

#### **Secretary**

Mr Michael Broadway

#### **Registered Office**

103 Borough Road  
London  
SE1 0AA

#### **Bankers**

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

#### **Solicitors**

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

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

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

Michelmores LLP, 48 Chancery Lane, London WC2A 1JF

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

#### **Auditors**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

# South Bank University Enterprises Limited

## Company Registration No. 2307211

### Directors' report

#### Ownership

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

#### Review of Activities

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

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

#### Result for the year

Turnover of £3,431,264 was an increase of 37% from 2017. The company reported a profit before tax of £505,670.

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 in respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that:

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

#### Future Prospects

The Company foresees trading conditions to remain challenging over the next 12 months. Strong competition from other universities and external organisations, allied to generally tight trading conditions and cutbacks in Central and



# **South Bank University Enterprises Limited**

## **Company Registration No. 2307211**

### **Directors' report**

Local Government expenditure, are expected to impact upon the Company's activities and income. The Higher Education and Research Act continues to affect access to and success of funding applications and the on-going Brexit negotiations will continue to impact on the company's future business. The Company continues to focus on opportunities to increase and grow its research and enterprise activities. The Company continues to lead and build its commercial engagement with the local community of start-ups and SMEs in South East London and more widely. The Company will continue to support the protection of and commercialisation of intellectual property generated by the University.

#### **Directors who served during the year**

Professor Paul Ivey (Chair)

Mr Michael Cutbill

Mrs Mandy Eddolls – appointed 15 August 2017, resigned 14 June 2018

Mr Richard Flatman

Mr Gurpreet Jagpal – resigned 14 June 2018

#### **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 (2017: none).

No Director had any interests in the shares of the Company or any other group company (2017: none).

#### **Employees**

As at the year-end the Company had 24 employees. All other persons associated with the Company are employees of London South Bank University.

#### **Auditors**

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

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

#### **Approval**

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

Paul Ivey

Chair

22 November 2018

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH BANK UNIVERSITY ENTERPRISES LIMITED**

## **Opinion**

We have audited the financial statements of South Bank University Enterprises Ltd (“the company”) for the year ended 31 July 2018, which comprise the Statement of income and retained earnings, the Balance sheet and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 July 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Directors’ report**

The directors are responsible for the directors’ report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors’ report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report on these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on pages 2-3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Fleur Nieboer (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
Canary Wharf  
London  
E14 5GL  
22 November 2018

## South Bank University Enterprises Limited

### Statement of income and retained earnings Year ended 31 July 2018

		2018	2017
	Note	£	£
<b>Turnover</b>	1	3,431,264	2,513,509
Cost of sales		<u>(1,396,862)</u>	<u>(1,090,341)</u>
<b>Gross profit</b>		2,034,402	1,423,168
Administrative expenses		<u>(1,530,295)</u>	<u>(1,450,544)</u>
<b>Operating profit/(loss)</b>	2	504,107	(27,376)
Interest receivable	4	1,563	1,598
		<u>                    </u>	<u>                    </u>
<b>Profit/(loss) on ordinary activities before taxation for the financial year</b>		505,670	(25,778)
		<u>                    </u>	<u>                    </u>
Tax on profits on ordinary activities	6	(25,073)	-
<b>Profit/(loss) for the financial year after taxation</b>		<u>480,597</u>	<u>(25,778)</u>
		<u>                    </u>	<u>                    </u>
<b>Retained profit at 1 August</b>		91,179	152,619
		<u>                    </u>	<u>                    </u>
Gift aid paid	5	-	(35,662)
		<u>                    </u>	<u>                    </u>
<b>Retained profit at 31 July</b>		<u>571,776</u>	<u>91,179</u>

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 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments	7	24	24
<b>Current assets</b>			
Debtors	8	742,081	906,260
Cash at bank and in hand		1,020,657	661,884
		1,762,738	1,568,144
<b>Creditors: amounts falling due within one year</b>	9	(1,190,976)	(1,476,979)
<b>Net current assets</b>		571,762	91,165
<b>Total assets less current liabilities</b>		571,786	91,189
<b>Net assets</b>		571,786	91,189
<b>Capital and reserves</b>			
Called up share capital	10	10	10
Profit and loss account	11	571,776	91,179
<b>Total equity shareholders' funds</b>		571,786	91,189

These financial statements have been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies.

These financial statements were authorised and approved by the Board of Directors on 22 November 2018.

Signed on behalf of the Board of Directors

Paul Ivey  
Chair

# South Bank University Enterprises Limited

## Principal accounting policies Year ended 31 July 2018

### Basis of Preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Section 1A of Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

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

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

All members of the company have consented to the preparation of an abridged balance sheet.

### Accounting Convention

The accounts have been prepared under the historical cost convention.

### Going Concern

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

### Turnover

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

### Cost of Sales

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

### Fixed Asset Investments

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

### Cash Flow Statement

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

### Taxation

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

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

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

# **South Bank University Enterprises Limited**

## **Principal accounting policies Year ended 31 July 2018**

### **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 2018

### 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:

	2018	2017
	£	£
United Kingdom	3,223,607	2,489,724
North America	197,757	11,088
Asia	9,900	12,697
	<u>3,431,264</u>	<u>2,513,509</u>

### 2. Operating profit/(loss)

	2018	2017
	£	£
<b>Operating profit/(loss) is stated after charging</b>		
Fees payable to the Company's auditor:		
- for tax assurance work	5,521	3,549
	<u>5,521</u>	<u>3,549</u>

The Company's audit fee of £2,815 has been included in the audit fee charged to London South Bank University. (2017: £2,750). The fee paid for tax assurance work is £5,491 exclusive of VAT (2017: £3,523).

### 3. Staff costs and Directors' remuneration

The Company had 24 employees at the year-end (2017: 21). All other persons associated with the Company are employees of London South Bank University.

	2018	2017
	£	£
<b>Costs:</b>		
Wages and salaries	1,502,908	1,191,909
Social security costs	124,511	105,130
Employers' pension contributions	133,239	89,200
	<u>1,760,658</u>	<u>1,386,239</u>

No Director employed by the company received remuneration exceeding £100,000 (2017: none).

### 4. Interest receivable

	2018	2017
	£	£
Bank interest receivable	<u>1,563</u>	<u>1,598</u>



# South Bank University Enterprises Limited

## Notes to the accounts Year ended 31 July 2018

### 5. Payment under Gift Aid

For the year ending 31 July 2018 the company has approved to pay **£xx** of its taxable profit under the Gift Aid scheme to London South Bank University (2017: nil).

### 6. Taxation

The 2018 tax charge is nil (2017: **nil**).

	2018	2017
	£	£
Profit/loss on ordinary activities before tax	<b>(25,778)</b>	(25,778)
Taxation on profit/loss on ordinary activities at <b>19.67%</b> (2017: 19.67 %)	<b>(5,069)</b>	(5,069)
Effects of:		
Fixed asset differences	<b>7,234</b>	7,234
Expenses not deductible for taxation purposes	<b>2,786</b>	2,786
Expense transfers – trade	<b>-</b>	-
Other short-term timing differences	<b>-</b>	-
Adjust closing deferred tax to average rate of <b>19.67%</b> (2017: 19.67 %)	<b>1,201</b>	1,201
Adjust opening deferred tax to average rate of <b>19.67%</b>	<b>(1,120)</b>	(1,120)
Unrelieved tax losses and other deductions	<b>(4,440)</b>	(4,440)
Amounts charged directly to equity	<b>(592)</b>	(592)
Current tax	<b>-</b>	-

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

The amount of the asset not recognised is **£7,659** (2017: £7,659).

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 2018

### 7. Fixed Asset Investments

At 1 August 2017	£ 24
At 31 July 2018	£ 24

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

Name of company	Percentage holding of ordinary shares	Nature of business	Date of last accounts	Profit/(loss) £	Reserves £
Biox Systems Limited	24%	Development of medical products	31 Oct 2017	54,945	263,944

### 8. Debtors

	2018 £	2017 £
Trade debtors	381,635	717,547
Prepayments and accrued income	358,110	186,161
Other debtors	2,336	2,552
	<u>742,081</u>	<u>906,260</u>

### 9. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	16,666	597
Amounts owed to parent company	356,396	663,695
Other creditors	59,586	59,586
Accruals and deferred income	685,035	723,455
Payroll creditors	73,293	29,646
	<u>1,190,976</u>	<u>1,476,979</u>

# South Bank University Enterprises Limited

## Notes to the accounts Year ended 31 July 2018

### 10. Called up share capital

	2018 £	2017 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Called up, allotted and fully paid</b>		
10 ordinary shares of £1 each	10	10
	<u>          </u>	<u>          </u>

### 11. Movement on total reserves

	Share capital £	Profit and loss account £	Total shareholders surplus £
At 1 August 2017	10	91,179	91,189
Profit for financial year after taxation	-	480,597	480,597
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 July 2018</b>	<u>          </u> 10	<u>          </u> 571,676	<u>          </u> 571,686

### 12. Related party transactions

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

### 13. Ultimate parent company

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

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

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	CONFIDENTIAL
Paper title:	South Bank University Enterprises Ltd Management Representation Letter
Board/Committee:	South Bank University Enterprises Ltd
Date of meeting:	5 November 2018
Author:	Rebecca Warren
Purpose:	Approval
Recommendation:	The Board is requested to approve the Management Representation Letter.

## **Executive Summary**

The letter of representation requires the Board of Directors to give written representations to the auditors over matters regarding the financial statements and the year-end audit. Following approval, the Chair of the Board will be required to sign the original.

The attached letter contains standard representations only; there are no items that have been inserted specific to SBUEL.

The Board is requested to approve the attached Letter of Representation.

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(Letterhead of South Bank University Enterprises Ltd.)

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

*[Date]*

*[Salutation]*

This representation letter is provided in connection with your audit of the financial statements of South Bank University Enterprises Ltd. (“the Company”), for the year ended 31 July 2018, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Company’s affairs as at 31 July 2018 and of the Company’s profit or loss for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities (being Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“Section 1A of FRS 102”); and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

These financial statements comprise Statement of Income and Retained Earnings, Balance Sheet and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the Company meets the definition of a small entity and therefore is permitted to prepare its financial statements in accordance with Section 1A of FRS 102.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

#### **Financial statements**

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 30 March 2017, for the preparation of financial statements that:
  - i. give a true and fair view of the state of the Company’s affairs as at the end of its financial year and of its profit or loss for that financial year;
  - ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities (being Section 1A of FRS 102); and
  - iii. have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or paragraph 1AC.39 of Section 1A of FRS 102 requires disclosure (have been adjusted or disclosed).
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

#### **Information provided**

5. The Board has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Board for the purpose of the audit; and
  - unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Board confirms the following:
  - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:
  - a) Fraud or suspected fraud that it is aware of and that affects the Company and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the Company's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.



8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you and has appropriately accounted for in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and/or disclosed (as under Section 1A of FRS 102 disclosure using the Section 21 of FRS 102 disclosure requirements may be required under paragraph 1A.17 of Section 1A of FRS 102 in order to meet the requirements set out in paragraphs 1A.5 and 1A.16 of Section 1A of FRS 102).
10. The Board has disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with paragraph 1AC.35 of Section 1A of FRS 102 and that may be required to be disclosed under Section 33 of FRS 102 (due to the fact that under paragraph 1A.17 of Section 1A of FRS 102 disclosure may be required under Section 33 of FRS 102 in order to meet the requirements set out in paragraphs 1A.5 and 1A.16 of Section 1A of FRS 102).

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

11. The Board confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Company's ability to continue as a going concern as required to provide a true and fair view.
- b) No events or circumstances have been identified that may cast significant doubt on the ability of the Company to continue as a going concern.

12. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102.

The Board further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
  - statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and
  - approved or unapproved,have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Board of Directors on 30 October 2018.

Yours faithfully,

[Chairman]

[Secretary]

Optional cc: Audit Committee

## **Appendix to the Board Representation Letter of South Bank University Enterprises Ltd: Definitions**

### **Financial Statements**

A complete set of financial statements comprises:

- a Balance Sheet as at the end of the period;
- a Statement of income and retained earnings for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

### **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

## **Management**

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

## **Related Party and Related Party Transaction**

### **Related party:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions apply:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled, or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### **Related party transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## Appendix 2- Audit Differences

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

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Board of Directors with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate.

We have not identified any unadjusted audit differences during the course of our audit.

Under UK auditing standards (ISA UK&I 260) we are required to provide the Board of Directors with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Adjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOPF Dr/(cr)	Comments
1	2018-19 NNDR Rates expenditure	(£75k)	£75k	Invoices paid during 2017-18 relating to 2018-19 NNDR rates had not been appropriately pro-rated and recognised as a prepayment.
2	SBUEL/LSBU Consultancy Costs	(£219k)	£219k	£219k of consultancy costs relating to Lambeth College were processed through SBUEL and not recharged to the University.
Total		(£294k)	£294k	

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	INTERNAL
Paper title:	SBUEL governance
Board/Committee:	SBUEL Board
Date of meeting:	05 November 2018
Author(s):	Michael Broadway, company secretary
Purpose:	For Information
Recommendation:	The Board is requested to note the update on SBUEL governance

## **Executive Summary**

The governance of SBUEL is currently set out in three main documents: i) 'schedule of matters reserved'; (ii) 'statement of governance'; and (iii) 'composition of the Board'. These documents were reviewed in 2016 and 2017 and are attached for information.

As part of the implementation of the development plans for the company, the governance structure and those three governance documents will be reviewed.

Due to LSBU staffing structure and personnel changes the current composition of the SBUEL Board does not reflect the agreed composition as set out in the attached. This will be reviewed as part of the implementation of the development plans.

The Board is requested to note this update.

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## **Statement of governance for SBUEL**

South Bank University Enterprises Ltd (SBUEL) is a wholly owned subsidiary of London South Bank University and is the vehicle through which the University accounts for its commercial activity. It is a company limited by shares and is a separate legal entity and therefore subject to its own governance arrangements.

As a matter reserved to the board, the LSBU board of governors is responsible for setting the governance processes relating to SBUEL. The proposed governance model is that SBUEL operates at arm's length from the university as a small or medium enterprise (SME).

### **Delegation and Powers reserved to LSBU as sole member**

The LSBU delegates to the SBUEL board of directors, so that SBUEL may operate substantially as an autonomous SME. This delegation is subject to such powers reserved to LSBU as are necessary to retain overall control.

In relation to SBUEL, powers reserved to LSBU include:

- the power to appoint the independent governor director of the SBUEL board;
- the power to amend SBUEL's articles of association;
- the power to change the company's name;
- the power to restrict the issue of additional shares;
- the power to wind up SBUEL;
- an overriding power to restrict activities of SBUEL if it sees fit.

These powers are set out in the SBUEL articles or in legislation and are exercised by LSBU as the sole member of SBUEL.

### **SBUEL Board**

SBUEL is controlled by its board of directors. The board of directors is led by a chair who is also LSBU's Pro Vice Chancellor (Research and External Engagement). The board is then composed, of the University's Chief Financial Officer (ex officio), an independent governor of the University, the Director of Enterprise (ex officio), up to three Deans from the University and up to three external non-executive directors.

## **Delegated Powers**

The overarching principle of delegation to SBUEL is that, subject to the reserved powers, LSBU delegates as fully as possible the operation of SBUEL to its Board of Directors.

SBUEL will remain subject to the University's Financial Regulations except where these explicitly exempt SBUEL. The powers delegated to the SBUEL Board are set out in a Schedule of Matters Reserved to the SBUEL Board. There is a unified process shared by LSBU and SBUEL for contract and investment approval.

The SBUEL board will set its own HR policies and make decisions within the delegations granted by the LSBU board of governors.

## **Visibility of acquisitions**

Matters of significant expenditure, risk or reputation should be referred to the Executive, the Major Projects and Investment Committee and the Board of Governors as appropriate.

## **Audit Arrangements**

As an SME, SBUEL board will not have sub-committees. As a wholly-owned subsidiary of LSBU, it will be subject to LSBU's internal audit arrangements. In addition, SBUEL's external auditors will continue to be Grant Thornton (LSBU's auditors). Grant Thornton will report to SBUEL board in relation to the annual external audit and to LSBU as part of the consolidation into LSBU's group accounts.

## **Reporting to the University**

There will be a monthly report of the enterprise pipeline activity, including activity carried out through SBUEL, presented to the Operations team to ensure that the Executive remains fully informed of progress. Enterprise activity is covered in the Management Accounts and KPIs which are considered by the Finance, Planning and Resources Committee (F,P&R) at each meeting.

## **Financial Control**

LSBU financial regulations, unless specific provision is made, apply to SBUEL activities. Separate financial procedures for SBUEL cover:

1. Expenditure – set out in the SBUEL expenditure procedure (approved by the SBUEL Board)

2. Delegated authorities – set out in the SBUEL letter of delegated authority
3. HR policies (to be approved by the SBUEL Board).

General points regarding SBUEL Financial procedures:

- Changes to these financial procedures will be approved by the SBUEL board
- The board of SBUEL will consider an annual budget for the Company, which will be approved by the LSBU board as part of the overall University budget approval process. Performance against budget will be reviewed by the SBUEL Board, F,P&R and the main board as part of the monthly management accounts

University enterprise, which includes SBUEL, risks are reported in the operational risk register for Research, Enterprise and Innovation, part of the University's risk framework.

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

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## **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)**

	<b>Matter</b>	<b>Authority</b>
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	Art 15.1
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 <sup>1</sup> 2006
6.	Change of company name	Art. 4
7.	Shares: <ul style="list-style-type: none"> <li>• Approval of the issue of unissued shares</li> <li>• Authority to grant the Board power to allot shares</li> </ul>	Art. 6.3.2 Art. 37
8.	Winding up SBUEL	s.84(1)(b) IA <sup>2</sup> 1986
9.	Approval of contracts: <ul style="list-style-type: none"> <li>• Budgeted expenditure above £2m</li> <li>• Not in the ordinary course of business or unbudgeted expenditure above £0.5m</li> </ul>	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

<sup>1</sup> Companies Act 2006

<sup>2</sup> Insolvency Act 1986

### Board of Directors

	<b>Matter</b>	<b>Authority</b>
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"> <li>• Procurement regulations</li> <li>• Levels of delegated financial authority</li> </ul>	
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"> <li>• above £2m- SBUEL Board between £1m and £2m – Chair of the Board</li> </ul>	University Financial Regulations 10.4
19.	Propose surplus distribution policy / Gift Aid Policy	
20.	Approval of contracts: <ul style="list-style-type: none"> <li>• Budgeted expenditure above £100,000 and below £2m</li> <li>• Not in the ordinary course of business or unbudgeted expenditure up to £0.5m</li> </ul>	

### SBUEL Chief Executive

	<b>Matter</b>	<b>Authority</b>
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 SBUELup to ££1m – Director of Enterprise	

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

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## Composition of the Board of Directors of South Bank University Enterprises Ltd

This document is intended to complement the Articles of Association. If the two conflict, then the Articles shall prevail.

### Composition

1. The Board of Directors, when fully complemented, shall consist of the following:
  - (a) The Pro Vice Chancellor (Research and External Engagement) (or equivalent) of the University (*ex officio*)
  - (b) one director who is an Independent Governor of London South Bank University (the University)
  - (c) up to two directors who are independent non-executive directors
  - (d) The Chief Financial Officer (or equivalent) of the University (*ex officio*)
  - (e) The Director of Enterprise (or equivalent) of the University (*ex officio*)
  - (f) The Executive Director of Organisational Development and HR (or equivalent) of the University (*ex officio*)

### Appointment

2. The Board of Governors of the University shall appoint the director under 1(b).
3. The Board of Directors of the Company shall appoint the directors under 1(c).

### Term of Office

4. The term of office of the director appointed under section 1(b) shall be for the period of three years or until their period of office as an Independent Governor of the University shall end, whichever is sooner.
5. The term of office of the directors appointed under section 1(c) and 1(f) shall be for the period of three years.
6. Directors appointed under sections 1(c) and 1(f) may be reappointed for a second term.
7. The terms of office of the *ex officio* directors shall be until they cease to hold the position as specified in sections 1(a), 1(d) and 1(e) respectively.

### Chair of the Board

8. The director appointed under section 1(a) shall be the Chair of the Board of Directors of SBUEL.

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	INTERNAL
Paper title:	Development of research and enterprise end to end bid and project management systems
Board/Committee:	SBUEL Board
Date of meeting:	05 November 2018
Author(s):	Yvonne Mavin, Head of Compliance and Systems, REI
Sponsor(s):	Paul Ivey, DVC & Chief Business Officer
Purpose:	For Information
Recommendation:	The Board is requested to note this update

## **Executive Summary**

The research and enterprise end to end bid and project management system is a transformational system that will impact all research and enterprise active academics, and supporting PSG staff.

The board is requested to note the update.

## **1 Overview of Research and Enterprise end to end bid management system changes**

Research and Enterprise systems are consolidating on the Haplo platform which already has modules for Postgraduate Research Students plus Ethics application management which is awaiting launch.

Research and enterprise end to end bid and project management systems are being simplified with the introduction of the Haplo Research and Enterprise Manager (REM) module which replaces these current systems: SharePoint for submission and contract approval; adapted version of Raisers Edge for proposal management; Cognos for enterprise reporting; share drives for project and proposal management files.

At the same time we are improving accessibility and making compliance simple. REM allows any device, anywhere access combined with an intuitive design that requires no training for an academic to get started and set up a proposal. Academics and REI staff can now easily access related documents anywhere instead of duplicating across various share drives. Topic guidance is delivered with “soundbites” and mini videos as opposed to lengthy scripts.

This has been a low cost investment with an implementation spend of £15k+VAT including historic data input, with an ongoing licence fee of £5k+VAT p.a. The implementation has been undertaken by REI staff working direct with the developer.

We are now in beta test of the REM module with all new proposals being loaded onto the system by REI staff, and have an ongoing feedback/issues mail. Workshops are booked for DoRE and leading PIs. We expect to go fully live with all academics having access by the end of November and so far have receive positive feedback on use.

## **2 Benefits from the implementation**

- Moving to a single source of information on all research and enterprise bids and projects delivers internal efficiency and effectiveness for REI staff and participating R&E academics and PSG. One system manages the end to end process linking the proposal through to the project that is delivered, reducing duplication.
- Internal and external reporting is improved; currently significant REI time is required to extract and compile information from different sources. Standard reports will be online. For example, DoRE will be able to look at their wins for the financial year or at the WIP proposals and anticipated submission dates that need their support. Individual academics will have a picture of all their R&E activity.
- Coding has been included to improve analysis. For example, HEBCI/HESA codes will be input by the REI Lead who understands the project, and the options available mean it will no longer possible to provide inconsistent coding of projects in our external reports.

- Data quality is intrinsically improved with single source information and other built in system features further enhance it e.g. iTrent links and drop down boxes replace freeform entry; links are generated between new and previous bids and for contract variations to the initial proposal; all possible variations in project titles and acronyms are recorded and the proposal can be found by searching any of them.
- Post award administrative control where we previously used only share drives is significantly improved. Project control includes setting and alerting of milestones, actions and responsibilities, highlighting of project overdues and a document repository.
- New areas of proposal control have been implemented, such as the requirement for academics to record any formal conflict of interest or to highlight early in proposal development that IP may be created. Control has also been improved by other features such as automated document versions available (though only the last version is readily visible) and embedded conversations such as those recording Govlegal requests and responses and Peer review. And where approval is required from more than one School involved in a proposal this can be easily done within the module rather than requiring emails outside the system as at present.
- The proposal concept is described and can be free text searched. This means that as we build our proposals and project data we will be able to identify expertise and relevant projects that can be cited to support new bids or used to find relevant academics for potential proposals.
- The easy to get started system encourages academics to share their potential idea for research projects - just enter a proposal title and the REI Lead and save. The REI Lead will be emailed to make contact.

### **3 Future developments anticipated**

- Integrating costing in the workflow rather than saving a separate fEC Excel spreadsheet in the REM. It will 1) save time as it is linked to iTrent salary data 2) Increase costing reliability as funder policies will be embedded and the eligible claim calculated 3) allow academics to develop their own outline costs and check early in the development process that their plans meet the funding call requirements.
- Wider data integration from Symplectic/ePrints giving a combined view of Academic profile and achievement for CVs, LSBU web pages, and My RoadMap development conversations and audit data.
- Include the KEF attributes when known to give additional analyses and support the external reporting that will be required.

## Appendix: Examples of REM screens and standard reports from test system

Figure 1 Submitted and won proposals YTD

### Submitted and won proposals (YTD)

ID	Project	Principal Investigator	School	Funder / client	Income type	Total expected value (£)	Deadline	Date won	Status
PSL171...	Building...	Malby, Rebecca	Built En...	intuitive ...	Enterprise c...			26 Jul 2...	CLOSED W...
PSL181...	new test...	Baron, Guy	Enginee...		Enterprise f...	250,000		28 Aug ...	CLOSED W...
PSL181...	test title	Ahmad, Fayaz	Law and...			60,000		07 Aug ...	CLOSED W...
PSL181...	Test per...	Al Mazrouei, Ahme...	Enginee...			2,000,000		06 Aug ...	OPEN In pr...
PSL181...	Testing ...	Delacy, Emily	Applied ...		Research co...	50,000		07 Aug ...	OPEN In pr...
PSL181...	Test PV...	Ali, Syed Faisal	Enginee...		Enterprise e...	5,000		12 Jul 2...	OPEN In pr...
PSL181...	Test PV...	Bell, George			Research gr...	100,000			OPEN Appr...
PSL181...	Testing ...	Adler, Sue	Law and...		Enterprise u...				OPEN Sub...
PSL181...	title	Alexander, Daniel	Enginee...	Dunhill ...	Research gr...		05 Sep ...		OPEN Sub...
PSL181...	Test rep...	Ahmad, Fayaz	Enginee...		Research gr...		12 Oct 2...		OPEN In pr...
PSL181...	Test em...	ALOBWEDE, ESTH...	Applied ...		Enterprise c...		06 Sep ...	17 Sep ...	CLOSED W...
PSL181...	New tes...	Jones, Janet	Arts and...	AXA Tru...	Enterprise r...			14 Sep ...	OPEN In pr...
PSL181...	Enter titl...	Delacy, Emily	Enginee...	AXA Tru...	Enterprise r...	30,000	26 Sep ...		OPEN Sub...
PSL181...	New tes...	Jones, Janet	Arts and...	Biotechn...	Research co...		30 Oct 2...	29 Sep ...	CLOSED W...

Figure 2 Current Pipeline report

## Pipeline in development by year

Export

◀ 2018 - 2019 ▶

School	Number	Bid value	Share of bid value	Likely value	Share of likely value
Applied Sciences	0	£0	0%	£0	0%
Arts and Creative Industries	0	£0	0%	£0	0%
Built Environment and Architecture	1	£10,000	9%	£5,000	10%
Business	0	£0	0%	£0	0%
Engineering	1	£0	0%	£0	0%
Health and Social Care	0	£0	0%	£0	0%
Law and Social Science	1	£3,115	3%	£2,492	5%
Academy of Sport	0	£0	0%	£0	0%
Confucious / Internationalisation	0	£0	0%	£0	0%
Research, Enterprise and Innovation	2	£94,554	88%	£44,784	86%
Residences	0	£0	0%	£0	0%
Student services and employment	0	£0	0%	£0	0%
<b>Total</b>	<b>5</b>	<b>£107,669</b>		<b>£52,276</b>	

-- School -- ▼
-- Division -- ▼
-- REI lead -- ▼
  
-- Income type -- ▼

ID	Project	Principal Investigator	School	Department / Institute	Innovation centre	Bid writer	Funder / client	Income type	Total expected value (£)	Status
PSL18...	Vortex...	Corsar, Michael	Engine...		LSBIC	Innotech	Europe...	Research co...	460,000	OPEN In pr...
PSL1819-0002	Creative Spark TSTU	Cole, Linsey					British Council	Enterprise student entr	48,138	OPEN Submitted
PSL18...	Creati...	Cole, Linsey					British ...	Enterprise st...	46,416	OPEN In pr...
PSL18...	Workfl...	Phillips, Steve	Built E...				Unregi...	Enterprise r...	10,000	OPEN In pr...
PSL18...	G076_...	Leadley-Meade, Zoe	Law a...				Unregi...	Enterprise c...	3,115	OPEN In pr...
PSL18...	iSHOP	Maidment, Graeme	Engine...				Engine...	Research gr...		OPEN In pr...
PSL18...	Reduci...	Whittaker, Andrew					Unregi...	Research gr...		OPEN In pr...

Figure 3 Example of view of a Proposal in REM

**iSHOP**
Edit ▼

Attach file

Proposal ID	PSL1819-0008
Title	iSHOP
Description of Idea	End Use Energy Demand Technology call
Project	<a href="#">iSHOP</a>
Funder	<a href="#">Engineering and Physical Sciences Research Council (EPSRC)</a>
Funder type	<a href="#">Infrastructure - More Sustainable Energy</a>
Opportunity URL	<a href="https://epsrc.ukri.org/files/funding/calls/2018/euedtech/">https://epsrc.ukri.org/files/funding/calls/2018/euedtech/</a>
Academics/Researchers	
Principal Investigator	<a href="#">Professor Graeme Maidment</a>
REI Business Development Manager	
	<a href="#">Mr Chung Lam</a>
Partners (roles)	
	Judith Evans
	Alan Foster
REI institute	
	<a href="#">Sustainable communities</a>
School/PSG	
	Engineering
Research centre	
	<a href="#">Centre for Air Conditioning and Refrigeration Research (CARR)</a>
Proposal stage	
<i>OPEN Potential</i>	09 Oct 2018
<i>OPEN In preparation</i>	22 Oct 2018
Date	
	10 Oct 2018
Submission Deadline	
<i>Funder</i>	23 Oct 2018, 16:00
Income type	
	<a href="#">Research grants</a>

**STATUS**

Awaiting approval by the REI Approvers

**CURRENTLY WITH**

Peter Doyle

Finances

Pre-submission details

Request Review - Peer/Legal/Finance

*3 review requests sent*

*3 pending*

Download printable PDF...

● Add note

**Costs - University (1)**

PL008 ENG G Maidment C...

**Proposal - draft (1)**

jes 2107531 (2) 22 Oct 201...

**Tasks**

**Research Funding Approval**

**Awaiting approval by the REI Approvers**

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*Chung Lam* confirmed statements - [view...](#) 22 Oct 2018, 18:12

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*Chung Lam* added a note: 22 Oct 2018, 18:12

Led by LSBU with Loughborough, UCL and Warwick Universities as partners. Form includes indexation for directly allocated costs but price for research council excludes inflation. If successful EPSRC applies indexation at award stage. Government levy of



Board/Committee	SBUEL Board Meeting
Date of meeting:	5 November 2018
Paper Title:	Tenant Lease Renewal and Process
Author:	Linsey Cole - Associate Director (Enterprise & Entrepreneurship) Adrian Tindall – Tenant Manager
Recommendation:	Information only

Following the recent structural changes within REI, a review of the tenant strategy, tenant leases and processes has been undertaken with the support of in house legal and the LSBU's external legal advisers.

The following documents are attached to this paper:

- The new tenant strategy
- Terms of Reference for the Tenant Advisory Board

The process and timeline for completing the lease renewals will be presented at the Board meeting. We are awaiting clarification on a technical matter following the introduction of a new piece of legislation that may affect the LSBU lettings portfolio.

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## Tenant and Venues Strategy

### **Our ambition**

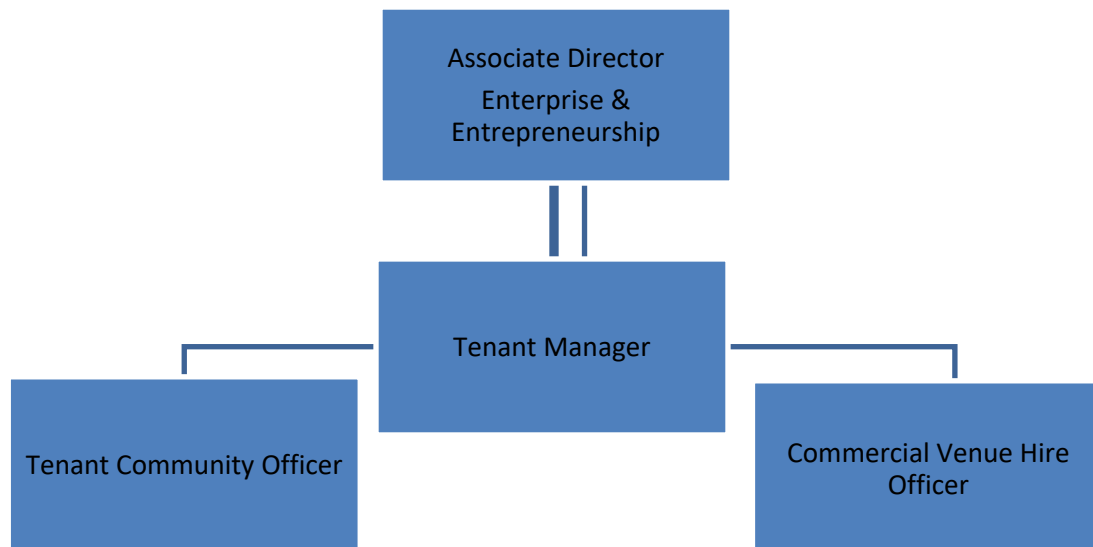
The Clarence Centre for Enterprise & Innovation, Blackwell's and the Technopark at LSBU are already recognised as a top Global Incubator ecosystem (UBI Global index – Top 15 incubator Managed by a University). We will now build on this global recognition by:

- Creating more opportunities for collaboration between tenants and LSBU's academic community
- Supporting student success, by leveraging tenant networks to support internships, placements and curriculum development
- Maximising opportunities created by the campus redevelopment to embed commercial enterprise space across the wider university estate

This will ensure that our ecosystem enables small businesses to thrive and grow, whilst supporting LSBU's Corporate Strategy and goal to be a truly Civic University.

### **Organisational Structure**

The Tenancy team includes the Tenant Manager, Tenant Officer and Commercial Events Officer within Research, Enterprise & Innovation.



### **Background/Our current tenancy offer**

LSBU has been providing office space to small businesses since 1996 when it bought the Technopark from the Prudential. In 2004 LSBU established the London Knowledge Innovation Centre in a strategic partnership with Business Extra (a Southwark based Enterprise Agency), The Centre formally opened in 2007 with a mixture of individual office units and hot desks on the 2<sup>nd</sup> floor of the Technopark.

In February 2013, the administration of the 2<sup>nd</sup> floor of the Technopark, with a net lettable space of 24,000 square feet, was signed over to SBUEL. An additional 9,361 square feet of net lettable space was added with the opening of the Clarence Centre in September 2013. In January 2017, Blackwell's with 6,000 square feet was added to the tenancy portfolio.

Our tenant community brought at least £80m into the local economy during the last financial year, employ approximately 400 people and have created and safeguarded 100 jobs over the last two years. Tenants also provide wider support to the University through mentoring, curriculum development, guest lectures and industrial relations, for example Cameron & Wilding helping the School of Engineering to update their web based learning courses and Alhora Tech updating the BSc in Electrical Engineering.

The Clarence Centre also includes meeting and events space which host workshops for LSBU's ERDF projects, enterprise education activities for students and recent alumni. This approach to co-locating start-ups, more established SMEs and business support activities played a pivotal role in the University being awarded the Entrepreneurial University of the Year in 2016 and in a recent global benchmarking exercise, LSBU ranked as the 15<sup>th</sup> global Incubator in the Business Incubator Managed by a University category (UBI Global).

It is recognised that whilst these businesses share the LSBU campus, opportunities for greater engagement have, so far, been missed. To begin the process of deeper engagement pathways with the tenant community, tenant surveys have been conducted along with a review of the leases in place with tenants to enable this process to be driven by both LSBU and the tenants. These processes will be used in any future growth of additional space in line with the campus redevelopment

The tenant community currently consists of 72 small businesses and all align with at least one School. As many of the tenants wish to work across multiple Schools, the tenant community will be grouped in the following categories:

- Tech
- Other Engineering
- Professional Services
- Creative & Digital
- Not-for Profit

These categories are broad enough for the strategy's needs and all tenants fit within one or more of them. This categorisation will also enable more clarity in terms of reporting. These five categories will be used for the new tenant occupancy process.

### **Tenant Engagement**

One of the aims of the Tenancy and Venues Team is to provide a conduit between LSBU and the onsite business community to create engagement opportunities to enhance learning and teaching and research and enterprise activity. This has historically been done through a light touch approach and with a broad definition of engagement. To maximise engagement

opportunities, original areas of engagement have been reviewed (with tenant input) and the revised list is as follows:

- Guest lecture for academic classes
- Keynote speaker for University and Alumni events
- Panel member or speaker for student focused events (extra-curricular)
- Mentoring a student business
- Provide internships or work placements
- Curriculum development – joining a School Advisory Board, working alongside an academic to revalidate curriculum content
- Research collaborations
- Join LSBU led ERDF/ESF projects\*

The areas for engagement will be explored at the time of a tenant signing their Lease or when joining (whichever is the earlier). Tenants will select the areas of engagement that they wish to work with LSBU on and these will form part of their contract and bi-annual meetings will be held to ensure compliance. Data from these meetings and ad-hoc engagements will be collated in the CRM and a report provided to SBUEL annually.

\*A separate project will be undertaken to identify ERDF/ESF engagement opportunities and will not form part of the overriding tenant strategy.

### **Tenant Advisory Board**

To continue to improve and develop the LSBU tenancy offer, a Tenant Advisory Board will be created which will consist of tenants and a number of internal staff members. Terms of Reference for the Board have been developed and can be found as Appendix A.

It should be noted that the Board will not be remunerated and they will hold no additional rights as members.

### **Additional space for tenancy**

There is a need for additional space to enable income growth but, due to campus redevelopment, capital is not available to extend the existing portfolio of tenancy sites. We will therefore only explore new tenancy sites if the terms are favourable and there is no capital outlay needed from the University.

Future properties must align with the criteria below:

- Be located within Southwark, Lambeth or Lewisham.
- Be in excess of 10,000 square feet (100 square metres) but less than 40,000 square feet
- Involve no capital outlay by LSBU

We will only progress an invitation to tender for new space if it meets the criteria above. There may, from time to time, be opportunities that sit outside of the above and these will be considered on a case by case basis, for example a proposed development at Purfleet.

This list is not exhaustive but allows a degree of exploratory work to be undertaken, without the risk of missing opportunities. This approach will be reviewed on an annual basis as LSBU's campus developments progress.

## **Internationalisation**

To date, international tenancy activities have focused on LSBU's existing partnerships in with China, the Applied Sciences University in Bahrain, Long Island University – Brooklyn (LIU) in New York, Ryerson University in Toronto and the British University in Egypt (BUE) in Cairo. Scoping visits have taken place to Ryerson and LIU and this has enabled us to develop and deliver 'trade missions' for our tenants and alumni entrepreneurs.

Our future work in this area is heavily dependent on the outcome of the Brexit negotiations and the level of access we have to the Single Market and Customs Union.

Our future strategy will:

- Inspire tenants to access new markets by embedding internationalisation into the tenant event programme
- Create opportunities for our tenant community to access new markets through trade missions supported by ERDF funding
- Utilise LSBU's core international partners to create international soft-landing agreements. Where there isn't an existing partner in a territory that is a key focus for the tenant community, we will look to agree a separate soft-landing agreement e.g. elsewhere in North America, the Middle East, China and the Pacific Rim
- Further develop the partnership with Ryerson University, in particular, the Digital Media Zone (DMZ) and the 9 other incubators housed at Ryerson, working towards signing a soft-landing agreement by April 2019.

## **Venues**

Venue operations continue to be restricted by the number of internal and non-chargeable bookings for staff and departments which influences income generation, to date of a total of 1,100 events, 530 have been internal and therefore not chargeable.

To mitigate revenue loss the following are in development:

- Reduce the availability of externally focused meeting rooms to internal users but with a structured approach for quiet periods (Mondays and Fridays available to internal users, Tuesdays to Thursdays external only)
- Accurate charges for internal usage to reflect actual overheads as shown here (there will be clear messaging why this charge is being made):
  - £30 – staff costs (G6 mid-spine point)
  - £20 – Set-up costs (Churchill's)
  - £20 – Service charge (electricity, heating etc)
  - £20 – Space charge (paid to LSBU)
- Host international enterprise education activities and cost venue hire into the project proposals
- Refresh of the brand and messaging for venue hire, with an increased focus on networking locally with SMEs and potential clients
- Partnering with external providers for busy and quiet periods as overspill and revenue sharing

## **Objectives to 2020**

The tenancy and venues team continue to develop and grow the services provided on behalf of LSBU to SMEs, industry partners, academics, staff, students and the wider community. Defined objectives for the team and tenant community will be:

1. Continue to develop engagement pathways for tenants to the benefit of LSBU academics, students and staff resulting in 75% of tenants engaging in at least one activity and 50% of tenants engaging in at two or more activities in 18/19 and 100% of tenants engaging in at least one activity and 75% of tenants engaging in at two or more activities in 19/20
2. Implement the use of new application processes to select new tenant companies who align with the tenant strategy and who also have a shared ethos with LSBU's corporate strategy, resulting in 95% occupancy and £1,362,000 income from tenancy activities in 18/19 and 95% occupancy and £1,400,000 income from tenancy activities in 19/20
3. To work with colleagues in LSBU International Office to continue to explore and develop an International network of Incubators to benefit the tenant companies and student/alumni entrepreneurs, securing 2 new partners by July 2020.
4. To use the new tenancy pathway of Enquiry, Interview and Application as a tool to establish best customer service practice before looking to accredit our customer service processes in 2020 (this will also include credit control procedures).
5. To assist LSBU staff and colleagues with devising enterprise initiatives that use the Clarence Centre model within new Campus developments or offsite opportunities
6. To create a fit for purpose Venues operation, leading to increased revenue from £85K to £100K and additional outreach opportunities.
7. Collect, review and store data on Tenants and Venues on the new REI CRM, in line with REI processes,
8. Establish a Tenant Advisory Board by October 2018 which will then meet 3 times a year to support tenancy activities.

#### Key Performance Indicators (KPIs) – 2018/19 and 2019/20

KPI	18/19	19/20	
Tenants on new lease by 30 <sup>th</sup> September 2018	100%	N/A	
Occupancy	95%	95%	
Tenancy Income	£1,362,000	£1,400,000	
% of tenants engaging in at least 1 activity	75%	100%	
% of tenants engaging in at least 2 activities	50%	75%	
Tenant Advisory Board implemented	September 2018		
Tenant-focused events	12 (minimum)	15 (minimum)	
Venues Income	£85,000	£100,000	
Internal Venue Usage	40%	30%	

Version 1.0  
September 2018

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## LSBU Tenant Advisory Board – Terms of Reference

The purpose of the Tenant Advisory Board is to offer support and advice on key aspects of the Clarence Centre for Enterprise & Innovation (incorporating Blackwell's and Technopark) (CCE&I) strategic development, and to provide a basis on which independent Board members can work with the team to enhance its profile and increase the level of tenant engagement. The Board can also help to ensure that the CCE&I activities are informed by best practice and aligned with the interests and needs of the CCE&I stakeholder groups. Board members are invited to act as national and international ambassadors for the CCE&I, sharing opportunities for external engagement and support to facilitate the achievement of the team's strategic aims. Amongst the priorities for the Board members would be:

### **(a) Strategic**

- Advise on current trends in Industry
- Advise on strategic goals and delivery action plan for the CCE&I
- Help to raise the profile of the CCE&I through access to professional networks for staff and students
- Advise on the CCE&I portfolio of services development
- Advise on aspects of CCE&I engagement pathway plans for LSBU

### **(b) Engagement**

- Attend and promote CCE&I events
- Provide networking opportunities and introductions for the wider LSBU community
- Generate opportunities for research and other forms of collaborative work between the University's academic staff and the professional community, public and voluntary sectors, and government agencies
- Provide access to internships and work placements to wider networks
- To identify fundraising/sponsorship opportunities

The Board meets three times per year: December, April and September.

The Board consists of seven members of the Tenant community, one for each of the LSBU Schools. LSBU staff core membership is the Associate Director (Enterprise & Entrepreneurship), Tenant Manager, Tenant Officer, a member of each of the Research Services, Strategic Projects and Institutes teams.

Membership of the Board will be through open competition, judged by the LSBU membership team, and are invited to use their expertise, influence and experience to further the strategic aims of the CCE&I. Board members will not be remunerated. The Board membership will be reviewed annually; however members are asked to serve on the Board for two years when possible. Upon two years membership, an extension may be granted if unable to recruit new members.

Written and email communications may be used to supplement the meetings, of which a summary record is kept.



The Board is advisory only. The powers of the Board are limited to recommending lines of action based on strategic and operational information provided by the CCE&I. The final decision on whether or not to act on the recommendations rests with the Tenant Manager acting under the direction of the Associate Director.

	CONFIDENTIAL
Paper title:	Directors' Annual Declaration of Interests
Board/Committee:	South Bank University Enterprises Ltd.
Date of meeting:	5 November 2018
Author:	Michael Broadway
Purpose:	Approval
Recommendation:	The Board is requested to review and approve Directors' interests.

## **Executive Summary**

Under the Companies Act 2006, directors have a duty to avoid a "situation" in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of SBUEL.

The Board are requested to review the declared interests which are highlighted in grey

When authorizing interests, unconflicted governors will need to consider whether to attach any conditions to the authorisation, for instance to not disclose confidential SBUEL information.

Directors will continue to have a duty to inform the Company Secretary if their interests change throughout the year.

Directors will also continue to have a duty to declare any conflicts of interest with items on the agenda at each meeting.

The Board is requested to authorise the declared situational conflicts of its members.

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**South Bank University Enterprises Limited – Directors’ Declarations of Interest, October 2018**

**Michael Cutbill**

<b>Organisation with which connected</b>	<b>Sector</b>	<b>Relationship with organisation</b>	<b>As of date</b>	<b>First approved by the Board</b>
London South Bank University	Higher Education	Independent Director	2016	10.10.2017
Kellen Head	Business Consultancy	Owner (100%)	2015	10.10.2017
Richmond Crescent Flats Ltd	Freehold int. in 21 Richmond Crescent	Owner (25%)	2015	10.10.2017
Age UK Trading CIC	Charity	Strategy and Marketing Director		

**Paul Ivey**

<b>Organisation with which connected</b>	<b>Sector</b>	<b>Relationship with organisation</b>	<b>As of date</b>	<b>First approved by the Board</b>
London South Bank University	Higher Education	CBO and DVC	2014	14.10.2015
Emirates Aviation University	Higher Education	Visiting Professor	2010	14.10.2015
University of London	Higher Education	Chair of Military Education Committee	2017	10.10.2017
Greater London Authority	Local government	London European Structural Investment Fund committee HE Representative	2016	10.10.2017

**Richard Flatman**

<b>Organisation with which connected</b>	<b>Sector</b>	<b>Relationship with organisation</b>	<b>As of date</b>	<b>First approved by the Board</b>
London South Bank University	Higher Education	Group CFO	2002	22.11.2012
South Bank Academies	Secondary education	Director and Member Vice Chair of Board and acting Chair of the Board	21.12.2015	07.12.2016
SW London & St. George's Mental Health NHS Trust	NHS Trust	NED & Chair of Audit Committee	01.04.2016	07.12.2016