

Meeting of the Board of Directors of South Bank University Enterprises Ltd

3.00pm on Tuesday, 5 November 2013
held in 1B16, Technopark, London South Bank University

Agenda

	<i>Paper No.</i>	<i>Presenter</i>
1. Welcome and Apologies		Chair
2. Declarations of Interest		Chair
3. Minutes of the meeting of 25 September 2013 (to approve)		Sec
4. Matters Arising		Chair
Business Matters		Chair
5. Management accounts to 30 September 2013 (to note)	UE.31(13)	CEO
6. CEO's business update (to note)	Verbal update	CEO
7. SBUEL Bonus Settlement 2012-13 (to approve)	UE.32(13)	CEO
8. Intellectual property and spin out company matters (to discuss and note)	UE.33(13)	CEO
Year End Approvals		
9. Audit Findings (to consider)	UE.34(13)	Accountant
10. Statutory accounts to 31 July 2013 (to approve)	UE.35(13)	Accountant
11. Letter of representation to auditors (to approve)	UE.36(13)	Accountant
Governance		
12. Review of Schedule of Matters Reserved (to approve)	UE.37(13)	Sec
13. Annual declarations of interest (for authorisation)	UE.38(13) *	Sec
14. Risk register (to review)	UE.39(13)	CEO

* Paper to follow

- | | |
|---|-------|
| 15. Any Other Business | Chair |
| 16. Date of Next Meeting – Wednesday 26 March 2014
at 3.00pm | Chair |
-

Members: James Smith (Chair), Julian Beer, Richard Flatman, Tim Gebbels (CEO)
and Beverley Jullien.

In attendance: Accountant and Governance Officer.

Conference Call details:

Please call 0800 917 1956 and enter 98474143# when requested.

Minutes of a Meeting of the Board of Directors
of South Bank University Enterprises Ltd
Held at 3pm on Wednesday 25 September 2013
in Room DCG12&13, Clarence Centre, St George's Circus, London SE1

Present

James Smith Chairman
Richard Flatman
Tim Gebbels CEO
Beverley Jullien

In attendance

Katie Boyce Director of HR (*for minutes 15-17*)
Michael Broadway Governance Officer
Rebecca Warren Accountant for South Bank University Enterprises Ltd.
Keith Would Reporting Business Support Manager PVC External

Welcome and Apologies

1. Apologies had been received from Julian Beer.

Declarations of Interest

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

Minutes of the meeting of 26 March 2013

3. The Board approved the minutes of the meeting of 27 June 2013.

Matters Arising

4. There were no matters arising which were not covered elsewhere on the agenda.

Draft Accounts, 2012/13

5. The Board noted the numbers from the draft accounts for 2012/13 (paper **UE.21(13)**). It was reported that these figures were subject to the audit which was on going and that no issues had arisen. The Board requested the CEO to draft the directors' report and circulate to Board members prior to the November meeting when the accounts would be approved and signed.

Management Accounts

6. The Board discussed the full year management accounts to 31 July 2013 (paper **UE.22(13)**). It was reported that income was below budget due to a number of factors including poor recruitment of the ACCA June 2013 summer school, delays in the re-launch of the Knowledge Transfer Programme (KTP) and income for some projects accounted in University rather than SBUEL. There was a corresponding variance to expenditure on the ACCA and KTP projects.
7. The Board requested an update at each meeting on any new projects or projects with a variance to budget.
8. The Board welcomed the new format of the accounts and requested an additional page showing the totality of University Enterprise in the format of the LSBU management accounts.

CEO's business update

9. The Board received an update on the business from the CEO covering an update on the projects for "16-20" including the European Regional Development Fund bid which required £400k match funding; the Knowledge Transfer Partnerships (KTP)/Knowledge Transfer Collaboration (KTC) programme; Continuing Professional Development (CPD) portfolio development across the University; top-ups; and the HEFCE bid for postgraduate support scheme. On other projects it was reported that the Faculty of Health and Social Care were in the process of establishing a partnership with King's College to provide professional training for dental clinical assistants following a lead from University Enterprise.
10. The CEO updated on the Clarence Centre for Enterprise and Innovation which had been completed on time. The Enterprise team had moved in in early September 2013. Post completion works were on track for the end of September 2013 with the first tenants due to move in on 1st October 2013.

Enterprise Budget for the University, 2013/14

11. The Board noted the draft enterprise budget for the whole university for 2013/14 (paper **UE. 23(13)**).

Knowledge Transfer Collaboration Programme Re-launch

12. The Board approved the proposed Knowledge Transfer Collaboration (KTC) programme re-launch (paper **UE.24(13)**).

University Enterprise Business Key Performance Indicators

13. The Board discussed the proposed university enterprise business key performance indicators (KPIs) (paper **UE.25(13)**). The KPIs had been split into five themes: commercial enterprise; student enterprise; lettings; team; and cross-university. It also included a university wide measure of total enterprise income. The Board welcomed the KPIs and requested that they be brought to each Board meeting for performance monitoring. They would also be used to inform the Board's judgement for the bonus level of the CEO and his team alongside other metrics.
14. The Board requested the total income target and the staff satisfaction targets to be revised upwards. The Board requested the inclusion of a contribution target and a target for contribution to the wider university.

Terms of Employment

Katie Boyce entered the meeting

15. The Board discussed the terms of employment of SBUEL employees (paper **UE.27(13)**). Key terms included paying staff spot salaries with no general assumption of salary progression but which would be subject to an annual review based on market rates; pay rates for staff in development would be 80%-100% of market rate; and a bonus incentive scheme for staff.
16. The proposed bonus scheme consisted of three areas: an individual performance bonus; collective sales bonus; and spot bonuses for outstanding contributions to the work of the team. The Board discussed the proposed bonus scheme in detail. The Board approved the bonus scheme and requested the CEO to bring specific bonus recommendations for 2012/13 to its November 2013 meeting.
17. The Board approved the terms of employment.

Katie Boyce left the meeting

Intellectual Property and Spin Out Companies

18. The Board noted an update on intellectual property and spin out companies (paper **UE.26(13)**). It was reported that Solion had now paid back half of their loan and that two of the University's enterprise associates had visited 10 Downing Street.

Financial Control on Commercial Sales

19. The Board approved the scheme of delegation for commercial sales (paper **UE.28(13)**).

Guidance on Projects

20. The Board approved the guidance on whether a project should be accounted for in LSBU or SBUEL (paper **UE.29(13)**).

Risk Register

21. The Board noted the risk register (paper **UE.30(13)**).

Any other business

22. The Board approved the addition of James Stevenson, company secretary, as an authorised signatory of the company. It was noted that authorisation levels would be revised in line with those of LSBU.

Date of next meeting

23. The date of the next meeting was noted as Tuesday 5 November 2013 at 3pm.

There being no further business, the Chairman closed the meeting.

Approved as a true record:

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Chairman



Committee Action Points

01 November 2013

15:03:18

Committee	Date	Minute	Action	Person Res	Status	
Board	25/09/2013	5	Circulate directors' report to Board prior to November meeting	CEO		<input type="checkbox"/> Completed
Board	25/09/2013	7	Update at each meeting on new projects or projects with a variance to budget	CEO	Ongoing	<input type="checkbox"/> Completed
Board	25/09/2013	8	Additional page in the management accounts showing the totality of University Enterprise in the format of LSBU management accounts	Accountant		<input checked="" type="checkbox"/> Completed
Board	25/09/2013	13	KPIs to each Board meeting	CEO	Ongoing	<input type="checkbox"/> Completed
Board	25/09/2013	14	Revise KPI total income target and staff satisfaction target	CEO		<input type="checkbox"/> Completed
Board	25/09/2013	14	Include contribution target and target for contribution to the wider university in KPIs	CEO		<input type="checkbox"/> Completed
Board	25/09/2013	16	Bring specific bonus recommendations for 2012/13 to Nov 2013 meeting.	CEO	On agenda for 5 November 2013	<input checked="" type="checkbox"/> Completed
Board	25/09/2013	22	Update authorised signatories and authorisation levels	Accountant		<input checked="" type="checkbox"/> Completed

London South Bank
University Enterprise

SBUEL Business Update

Tim Gebbels CEO
November 2013

the **brighter** choice

Agenda

- Financial Position
- Enterprise Centre
- Project Update
- Staffing Update

Enterprise income 2013-14 – update

Income Source	Budget YTD (£k)	Actual YTD (£k)	Variance (Jul-Sep) (£k)	Comments
Funding Grants	162	15	(146)	Primarily a matter of timing
Other Fees (courses and partnerships)	600	491	(109)	Income dominated by CPPD. Overseas Partnerships £240k below budget
Research Contracts	93	297	203	Positive variance as a result of release from Balance Sheet
Consultancy and other	191	183	(8)	
Lettings	199	144	(55)	Below expectation on Technopark income due to release of A corridor back to University
Tuition Fees	209	0	(209)	Faculty-led activity
Total Income	1,454	1,130	(323)	

Analysis of Expenditure Variances at end Sept

- Support Staff (£59k)
 - Only material variance is staff costs. Currently 4 vacancies in University Enterprise
- Other expenditure variances
 - Other variances (bursaries, memberships, professional fees, marketing and comms) are largely a result of timing in year

The Clarence Centre now fully operational

- First occupancy on time on 2nd September
 - Enterprise team and Student Entrepreneurs first to move in
 - Café opened on 11th September
- Post completion works now all finished
 - Still some snagging on-going (leaks, AV provision, seedum roof))
- Recruitment of tenants ahead of plan
 - Initial IT teething problems now resolved
 - Now possible for new external tenants to move in
 - Two new tenants this week
- Programme of engagement now underway
 - Full events programme underway to engage local business
 - Business lounge now open for business - ~20 memberships to date

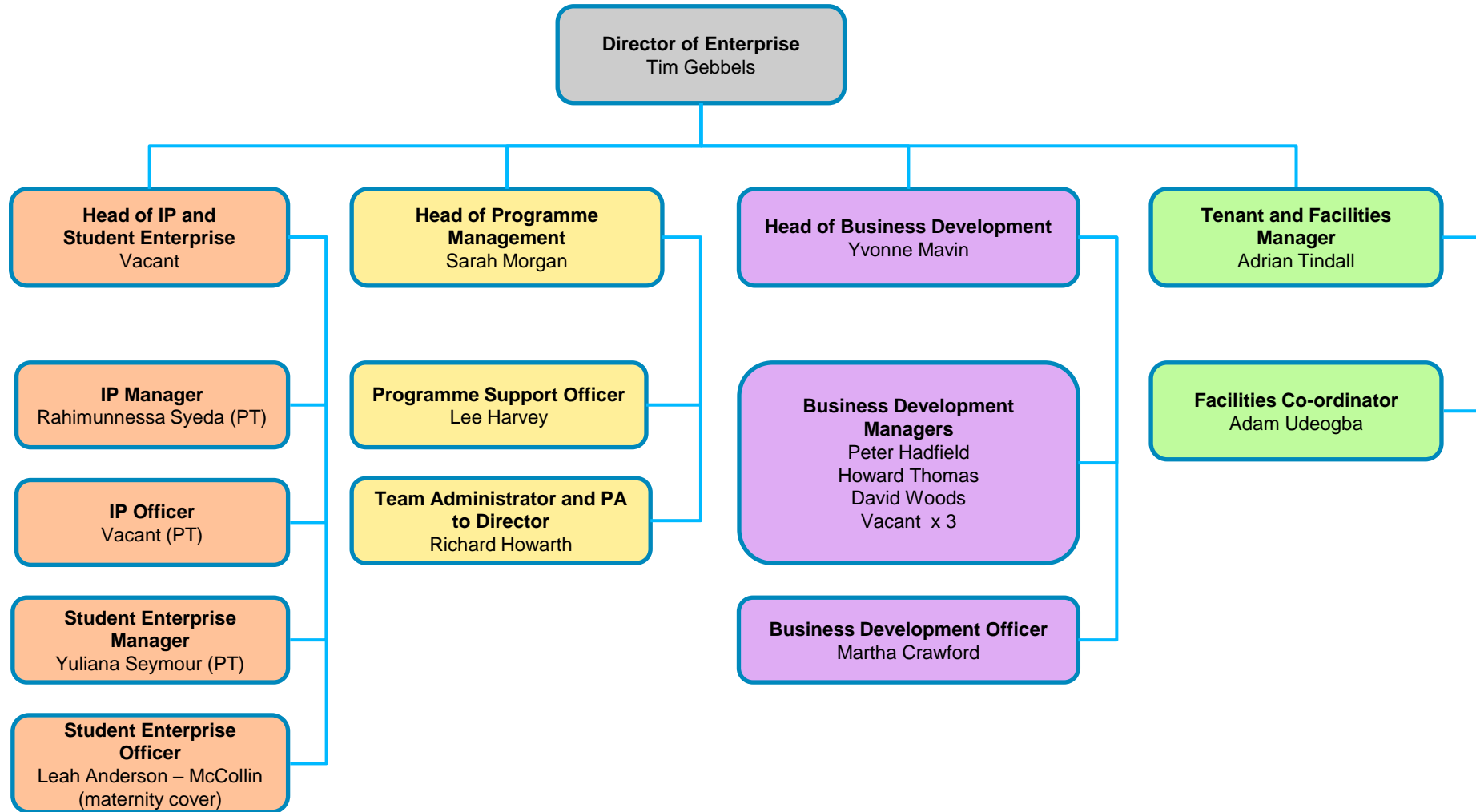
Projects update (I)

- Investment Escalator – ERDF Bid
 - Bid for £450k in ERDF funding (50% of £900k+ project) submitted on 11th October
 - Initial feedback is positive but further revision of the proposal still required.
 - Approval expected in 5-6 weeks
 - Project delivery to be in partnership with LMU
 - Project start date is 1st November
- KTP/KTC programmes
 - KTC programme re-launched in October in tandem with second round of KTP telesales
 - Three good opportunities already identified and likely to convert
- CPD Portfolio development
 - Established a set of general processes for CPD using BIM courses as a model
 - Identified 20 existing PG modules for a January 2014 start, marketing to start in November, targeted initially on alumni

Projects update (II)

- International Top-ups
 - Developed a proposal for a new supportive infrastructure for local teaching staff to ensure standardised delivery levels – costing in development
 - Infrastructure to lever standard University tools, including Moodle, IBM Connections and some bespoke elements layered on top
 - Additional support also being planned for students, likely to have more diverse background than LSBU's own Y3 entrants.
- ACCA Programme
 - External recruitment for September cheaper and more successful than last year
 - Poorer internal progression – reasons for this being investigated
 - Now planning for February recruitment – expected to be challenging following withdrawal by ACCA of the internal assessment route.

Staffing Update



	PAPER NO: UE.31(13)	
Board:	Board of Directors	
Date:	5 November 2013	
Paper title:	Management accounts to 30 September 2013	
Author:	Keith Would, Reporting Business Support Manager PVC External	
Recommendation:	That the Board note the management accounts	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

Enterprise Report index

Enterprise Matrix Cells	Tab name	Sheet name
<i>All</i>	<i>All Enterprises - quadrant</i>	<i>All Enterprises: Quadrant</i>
<i>All</i>	<i>All Enterprises</i>	<i>All Enterprise: Management Accounts</i>
<i>4A+4B+3A+3B</i>	<i>SBUEL</i>	<i>SBUEL: Management Accounts</i>
<i>1A+1B+3A+3B</i>	<i>University Enterprise</i>	<i>University Enterprise: Management Accounts</i>

	Faculty/Other		University Enterprise	
	Projects	Support	Projects	Support
LSBU	2A	2B	1A	1B
SBUEL	4A	4B	3A	3B

"University Enterprise" is Tim's University Enterprise cost centres only, i.e 748(0), 750(0), 751(0), 753(0)

"Faculty / Other" is all the other cost centres, which get reported in the Faculties, Estates, Events, Finance etc.

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of September 2013									
All Enterprise - YTD Actuals									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	-8,410	-722,751	-134,606	-246,529	-1,112,296	-143,017	-969,280		
B Enterprise Support Income	71,063	0	-89,432	0	-18,369	-18,369	0		
Total Income	62,652	-722,751	-224,038	-246,529	-1,130,665	-161,385	-969,280		
A Enterprise Project Costs	7,293	426,889	2,147	17,168	453,497	9,440	444,057		
B Enterprise Support Costs	82,660	7,219	91,389	6,594	187,863	174,050	13,813		
Total Costs	89,953	434,108	93,536	23,762	641,360	183,489	457,870		
A Grand Total Enterprise Project	-1,117	-295,862	-132,460	-229,361	-658,800	-133,577	-525,223		
B Grand Total Enterprise Support	153,723	7,219	1,958	6,594	169,494	155,681	13,813		
Grand Total	152,606	-288,643	-130,502	-222,767	-489,305	22,104	-511,409		

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of September 2013									
All Enterprise - Annual Forecast									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	-520,008	-4,823,767	-1,197,262	-390,620	-6,931,657	-1,717,270	-5,214,387		
B Enterprise Support Income	-510,322	0	-536,590	0	-1,046,912	-1,046,912	0		
Total Income	-1,030,330	-4,823,767	-1,733,852	-390,620	-7,978,569	-2,764,182	-5,214,387		
A Enterprise Project Costs	383,760	2,603,732	836,753	183,959	4,008,204	1,220,513	2,787,691		
B Enterprise Support Costs	586,636	0	706,908	0	1,293,544	1,293,544	0		
Total Costs	970,396	2,603,732	1,543,661	183,959	5,301,748	2,514,057	2,787,691		
A Grand Total Enterprise Project	-136,248	-2,220,035	-360,509	-206,661	-2,923,453	-496,757	-2,426,696		
B Grand Total Enterprise Support	76,314	0	170,318	0	246,632	246,632	0		
Grand Total	-59,934	-2,220,035	-190,191	-206,661	-2,676,821	-250,125	-2,426,696		

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of September 2013									
All Enterprise - Annual Budget									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise	Total University Enterprise	Total Faculty
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	-520,008	-4,823,767	-1,197,262	-390,620	-6,931,657	-1,717,270	-5,214,387		
B Enterprise Support Income	-510,322	0	-536,590	0	-1,046,912	-1,046,912	0		
Total Income	-1,030,330	-4,823,767	-1,733,852	-390,620	-7,978,569	-2,764,182	-5,214,387		
A Enterprise Project Costs	383,760	2,603,732	836,753	183,959	4,008,204	1,220,513	2,787,691		
B Enterprise Support Costs	586,636	0	706,908	0	1,293,544	1,293,544	0		
Total Costs	970,396	2,603,732	1,543,661	183,959	5,301,748	2,514,057	2,787,691		
A Grand Total Enterprise Project	-136,248	-2,220,035	-360,509	-206,661	-2,923,453	-496,757	-2,426,696		
B Grand Total Enterprise Support	76,314	0	170,318	0	246,632	246,632	0		
Grand Total	-59,934	-2,220,035	-190,191	-206,661	-2,676,821	-250,125	-2,426,696		

LONDON SOUTH BANK UNIVERSITY									
Management Summary Report from August 2013 To The End Of September 2013									
All Enterprise - Variance Forecast vs Budget									
	1		2		3		4		
	LSBU		LSBU		SBUEL		SBUEL		TOTAL ENTERPRISE
	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	University Enterprise	Faculty - Other	Total Enterprise	Total University Enterprise	Total Faculty
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
A Enterprise Project Income	0	(0)	0	0	(0)	0	(0)	0	(0)
B Enterprise Support Income	0	0	0	0	0	0	0	0	0
Total Income	0	(0)	0	0	(0)	0	(0)	0	(0)
A Enterprise Project Costs	0	0	0	0	0	0	0	0	0
B Enterprise Support Costs	0	0	0	0	0	0	0	0	0
Total Costs	0	0	0	0	0	0	0	0	0
A Grand Total Enterprise Project	0	(0)	0	0	(0)	0	(0)	0	(0)
B Grand Total Enterprise Support	0	0	0	0	0	0	0	0	0
Grand Total	0	(0)	0	0	(0)	0	(0)	0	(0)

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)		
					2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£) %		Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£) %		Note	
(936,923)	(155,134)	Funding Grants			(1,010,912)	(1,010,912)		%		(15,349)	(72,320)	(56,972)	(79%)		(995,563)
9,199	2,418	Home & EU Fees - PG			(341,716)	(341,716)		%		(75,658)	(75,658)	(75,658)	(100%)		(341,716)
(3,776,631)	(524,332)	Other Fees			(3,487,991)	(3,487,991)	()	(%)		(490,671)	(600,082)	(109,411)	(18%)		(2,997,320)
(228,491)		Overseas Fees - UG			(220,000)	(220,000)		%			(220,000)	(220,000)	(100%)		(220,000)
4,199	2,440	Overseas Fees - PG						%							
(1,077,881)	(249,263)	Research Grants & Contracts			(520,580)	(520,580)		%		(296,732)	(93,430)	203,302	218%		(223,848)
(846)		Other income - student related			(8,000)	(8,000)		%		(463)	(2,000)	(1,537)	(77%)		(7,537)
(2,370,658)	(197,406)	Other Operating Income			(2,389,370)	(2,389,370)		%		(326,514)	(390,361)	(63,847)	(16%)		(2,062,856)
(8,732)	(2,067)	Endowment Income & Interest Receivable						%		(937)		937			937
(8,386,763)	(1,123,344)	Total Income			(7,978,569)	(7,978,569)	()	(%)		(1,130,665)	(1,453,851)	(323,186)	(22%)		(6,847,904)
1,018,522	217,654	Academic - Permanent staff			653,342	653,342		%		94,063	122,604	28,541	23%		559,279
305,340	33,050	Academic - Temporary staff			354,808	354,808		%		34,418	42,870	8,452	20%		320,390
614		Technicians staff						%							
1,190,339	181,470	Support - Permanent staff			1,672,995	1,672,995		%		257,289	273,709	16,420	6%		1,415,706
2,022		Support - Temporary staff						%		98		(98)			(98)
91,444	4,597	Third party staff						%		6,211	5,400	(811)	(15%)		26,189
2,608,281	436,771	Total Staff Costs			2,713,545	2,713,545		%		392,078	444,583	52,505	12%		2,321,467
686	343	Depreciation			18,384	18,384		%		3,063	3,064	1	%		15,321
686	343	Total Depreciation			18,384	18,384		%		3,063	3,064	1	%		15,321
212,733	13,208	Staff Related			157,641	157,641		%		13,644	25,341	11,697	46%		143,997
127,893	12,769	Marketing and PR			116,320	116,320		%		(8,349)	20,220	28,569	141%		124,669
98,009	14,663	Bursaries and Scholarships			247,996	247,996		%		11,165	22,666	11,501	51%		236,831
776,260	154,351	Student Related			658,000	658,000		%		135,377	150,000	14,623	10%		522,623
67,346	751	Equipment			2,000	2,000		%		(5,362)		5,362			7,362
20,877	6,824	Computing			126,396	126,396		%		5,667	21,066	15,399	73%		120,729
4,558		Utilities			173,939	173,939		%			39,618	39,618	100%		173,939
4,186		Maintenance & Other Estate						%							
1,967		Cleaning & Security						%		(461)		461			461
(41,354)	25	Financial			(15,002)	(15,002)		%		48	(3,300)	(3,348)	(101%)		(15,050)
5,780	540	Communications			13,224	13,224		%		3,025	2,204	(821)	(37%)		10,199
290,085	33,156	Legal & Professional			235,060	235,060		%		19,867	42,510	22,643	53%		215,193
12,510		Subscriptions and Membership Fees			14,816	14,816		%		4,525	1,736	(2,789)	(161%)		10,291
15,744	681	Photocopying and Stationery			28,760	28,760		%		1,878	4,460	2,582	58%		26,882
557,930	48,106	Other			674,793	674,793		%		41,251	92,493	51,242	55%		633,542
41,607	4,533	Internal recharges			5,496	5,496		%		2,215	416	(1,799)	(432%)		3,281
2,196,132	289,606	Total Other Operating Expenses			2,439,439	2,439,439		%		224,489	419,430	194,941	46%		2,214,950
511,563	85,263	Internal Allocations			130,380	130,380		%		21,730	21,730		%		108,650
511,563	85,263	Total Internal Allocations			130,380	130,380		%		21,730	21,730		%		108,650
(3,070,101)	(311,361)	Contribution			(2,676,821)	(2,676,821)	()	(%)		(489,305)	(565,044)	(75,739)	(13%)		(2,187,515)
		Staff costs as % of income			34.0%	34.0%				34.7%	30.6%				
		Contribution %			33.6%	33.6%				43.3%	38.9%				

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)
			2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£) %	Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£) %	Note	
(536,590)		Funding Grants	(536,590)	(536,590)	%		(89,432)	(89,432)	%	(447,158)	
(409,724)	(78,696)	Research Grants & Contracts	(260,616)	(260,616)	%		(228,890)	(43,436)	185,454 427%	(31,726)	
(846)		Other income - student related	(8,000)	(8,000)	%		(463)	(2,000)	(1,537) (77%)	(7,537)	
(1,138,421)	(71,448)	Other Operating Income	(1,319,266)	(1,319,266)	%		(150,844)	(232,398)	(81,554) (35%)	(1,168,422)	
(8,732)	(2,067)	Endowment Income & Interest Receivable					(937)		937	937	
(2,094,313)	(152,211)	Total Income	(2,124,472)	(2,124,472)	%		(470,567)	(367,266)	103,301 28%	(1,653,905)	
263,137	58,321	Academic - Permanent staff	146,651	146,651	%		21,125	29,064	7,939 27%	125,526	
6,744		Academic - Temporary staff	72,804	72,804	%			12,134	12,134 100%	72,804	
456,641	40,861	Support - Permanent staff	603,564	603,564	%		106,438	100,594	(5,844) (6%)	497,126	
14,252		Third party staff					(3,247)		3,247	3,247	
740,774	99,182	Total Staff Costs	823,019	823,019	%		124,316	141,792	17,476 12%	698,703	
5,021	497	Staff related	1,500	1,500	%		(114)	250	364 146%	1,614	
15,106	19	Marketing and PR	10,000	10,000	%		(10,419)	2,500	12,919 517%	20,419	
4,411		Student Related					(366)		366	366	
18,272	709	Equipment					(3,478)		3,478	3,478	
(183)		Computing	110,400	110,400	%		483	18,400	17,917 97%	109,917	
247,756		Utilities	498,479	498,479	%			93,708	93,708 100%	498,479	
(41,354)	25	Financial	(15,002)	(15,002)	%		48	(3,300)	(3,348) (101%)	(15,050)	
148,662	4,061	Legal & Professional	216,220	216,220	%		6,709	39,370	32,661 83%	209,511	
245		Subscriptions and Membership Fees									
102		Photocopying and Stationery									
6,327		Other	83,004	83,004	%		120	13,834	13,715 99%	82,885	
404,365	5,312	Total Other Operating Expenses	904,601	904,601	%		(7,018)	164,762	171,780 104%	911,619	
301,004	50,170	Internal Allocations									
301,004	50,170	Total Internal Allocations									
(648,170)	2,453	Contribution	(396,852)	(396,852)	%		(353,268)	(60,712)	292,557 482%	(43,584)	
		Staff costs as % of income	38.7%	38.7%			26.4%	38.6%			
		Contribution %	18.7%	18.7%			75.1%	16.5%			

University Enterprise - Total (column) from August 2013 To The End Of September 2013

SMT Area: ENTR

Cost Centre: %

REF MANSUM

Full Year Outturn Last Year (£)	YTD Actuals Last Year (£)	Description	Code	Client	FULL YEAR				YEAR TO DATE				Full year Forecast less Actual YTD (£)	
					2013 Forecast (£)	2013 Budget (£)	Variance - Forecast to Budget (£) %		Note	2013 Actuals (£)	2013 Budget (£)	Variance - Actuals to Budget (£) %		Note
(894,894)	(155,134)	Funding Grants			(1,010,912)	(1,010,912)		%		(15,349)	(72,320)	(56,972)	(79%)	(995,563)
(105,189)		Other Fees			(350,004)	(350,004)		%		675	(58,334)	(59,009)	(101%)	(350,679)
(39,116)	(6,456)	Research Grants & Contracts			(150,000)	(150,000)		%		(9,085)	(25,000)	(15,915)	(64%)	(140,915)
(40,533)		Other Operating Income			(1,253,266)	(1,253,266)		%		(136,689)	(221,398)	(84,709)	(38%)	(1,116,577)
(8,732)		Endowment Income & Interest Receivable								(937)		937		937
(1,088,464)	(161,589)	Total Income			(2,764,182)	(2,764,182)		%		(161,385)	(377,052)	(215,667)	(57%)	(2,602,797)
4,283		Academic - Permanent staff			45,000	45,000		%		3,237	7,500	4,263	57%	41,763
		Academic - Temporary staff			191,004	191,004		%			31,834	31,834	100%	191,004
750,246	106,845	Support - Permanent staff			969,908	969,908		%		140,490	161,362	20,872	13%	829,418
137		Support - Temporary staff												
49,449	3,320	Third party staff								(1,833)		1,833		1,833
804,116	110,164	Total Staff Costs			1,205,912	1,205,912		%		141,894	200,696	58,802	29%	1,064,018
38,135	103	Staff Related			45,924	45,924		%		380	7,654	7,274	95%	45,544
106,254	12,712	Marketing and PR			116,320	116,320		%		(7,382)	20,220	27,602	137%	123,702
83,479	11,333	Bursaries and Scholarships			177,996	177,996		%		11,165	22,666	11,501	51%	166,831
11,693		Student Related								2		(2)		(2)
7,815	2,422	Equipment								83		(83)		(83)
6,025	69	Computing			126,396	126,396		%		483	21,066	20,583	98%	125,913
105		Utilities			173,939	173,939		%			39,618	39,618	100%	173,939
2,812		Maintenance & Other Estate												
1,237		Cleaning & Security												
7		Financial			(15,002)	(15,002)		%		4	(3,300)	(3,304)	(100%)	(15,006)
3,440	336	Communications			13,224	13,224		%		2,988	2,204	(784)	(36%)	10,236
168,844	49	Legal & Professional			228,220	228,220		%		5,949	41,370	35,421	86%	222,271
10,517		Subscriptions and Membership Fees			14,816	14,816		%		4,275	1,736	(2,539)	(146%)	10,541
6,843	415	Photocopying and Stationery			24,900	24,900		%		505	4,150	3,645	88%	24,395
3,744		Other			280,212	280,212		%		316	46,702	46,386	99%	279,896
46,151	260	Internal recharges								2,627		(2,627)		(2,627)
497,102	27,699	Total Other Operating Expenses			1,186,945	1,186,945		%		21,395	204,086	182,691	90%	1,165,550
118,588	19,765	Internal Allocations			121,200	121,200		%		20,200	20,200		%	101,000
118,588	19,765	Total Internal Allocations			121,200	121,200		%		20,200	20,200		%	101,000
331,342	(3,962)	Contribution			(250,125)	(250,125)		%		22,104	47,930	25,826	54%	(272,229)
		Staff costs as % of income			43.6%	43.6%				87.9%	53.2%			
		Contribution %			9.0%	9.0%				(13.7)%	(12.7)%			
		Total Income			(2,764,182)	(2,764,182)				(161,385)	(377,052)	(215,667)		
		Total Staff Costs			1,205,912	1,205,912				141,894	200,696	58,802		
		Total Other Operating Expenses			1,186,945	1,186,945				21,395	204,086	182,691		
		Total Internal Allocations			121,200	121,200				20,200	20,200			
		Contribution			(250,125)	(250,125)				22,104	47,930	25,826		

This summary comes from the following sheets:

Tab name
 UE Projects SU
 UE Support SU
 UE Projects SBUEL
 UE Support SBUEL

Sheet name
 1A) LSBU: University Enterprise - Projects
 1B) LSBU: University Enterprise - Support
 4A) SBUEL: University Enterprise - Projects
 4B) SBUEL: University Enterprise - Support

	PAPER NO: UE.32(13)	
Board:	Board of Directors	
Date:	5 November 2013	
Paper title:	SBUEL Bonus Settlement 2012-13	
Author:	Tim Gebbels, Chief Executive, SBUEL	
Recommendation:	That the Board approve the bonuses for SBUEL staff	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

1. Introduction

At its meeting in September 2013, the Board approved a bonus scheme for SBUEL staff consisting of three elements. The first of these, the Individual Performance Bonus, is due to be paid in December 2013 and is based on performance ratings awarded in the annual appraisal process. This paper sets out the individual performance bonuses proposed.

The second element of the bonus scheme, the Collective Sales Bonus, will not be introduced this year. As agreed in September, the Sales Bonus will be introduced based on sales performance this year (2013/14) and paid in December 2014.

The third element was a spot bonus scheme and this only needed Board endorsement for spot bonuses in excess of £1000. To date, no spot awards of any value have been awarded.

2. Proposed Individual Performance Bonuses

The Individual Performance Bonus scheme awards a bonus based on an individual's performance rating awarded through the appraisal process according to the following formula:

Rating	Bonus Level
Underperforming	0%
3	2%
2	4%
1	8%

The bonus level is applied to the basic salary actually paid in the financial year to calculate the level of bonus due. Individuals considered to be in development, and who are therefore paid below the market rate for their job, do not qualify for an individual performance bonus.

The following schedule sets out for all qualifying employees (i.e. those employed on 31st July 2013) the bonus level calculated using this formula.

Staff Member	Performance Rating	Bonus Level (% of basic pay)	Bonus
CRAWFORD	1	8	£ 1,727
HADFIELD	3	2	£ 840
HARVEY	3	2	£ 87
HOWARTH	3	2	£ 22
MAVIN	2	4	£ 2,150
THOMAS	3	2	£ 652
TINDALL	In Development	0	£ -
WOODS	3	2	£ 122
Total			£ 5,600

These calculated bonus levels are subject to Board moderation either individually or collectively. However, it is recommended that on this occasion no collective moderation should be applied. In two cases (Harvey and Howarth), the Board may wish to consider applying individual adjustments so that the bonus actually paid is £100, increasing the total bonus pot by £91 to £5,691. This level of bonus can be funded from within the existing staffing budget.

3. Recommendations

The Board are asked to:

- Approve the bonuses for SBUEL staff as proposed.

	PAPER NO: UE.33(13)
Board:	South Bank University Enterprises Ltd
Date:	5 November 2013
Paper title:	Intellectual Property and spin out companies
Author:	Sheila Grace, Head of Student Enterprise and IP
Presented by:	Tim Gebbels, Chief Executive, SBUEL
Purpose of the Paper:	To update the board on the University's portfolio of Spin-out companies and IP assets
Outcome of the Paper:	Information <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Decision <input type="checkbox"/> (Please check as appropriate)
Recommendation:	The Board is requested to Note the reports presented

SBUEL 'Spin out and Spin in' Companies

REPORTS – No updated reports due to short time period of 6 weeks between Board meetings.

Company	Staff/Student	Status	Report Attached
BIOX Systems Ltd	Staff	Active	No
Solion Ltd	Staff	Active	No
ESL	Staff	Dormant	No
Square Edge Design Ltd	Student	Active	No
Demonstrate Design Ltd	Student	Dormant	No
About Time Design Ltd	Student	Active	No
Strongman Games Ltd	Student	Not Trading	No
Such and Such Design Ltd	Student	Active	No
Drive Daddy Ltd	Student	Active	No
MBP Concepts Ltd	Student	Not trading	No
Nought to Sixty Ltd	Student	Active	No
Infiniti Lane Ltd	Student	Not trading	No
Equination Ltd	Student	Not trading	No
Raison Detre Ltd	Student	Active	No
Klever Ltd	Student	Active	No
Jeynius Designs Ltd	Student	Not trading	No
Burnt Edge Ltd	Student	Not trading	No
Solar Polar Ltd	Spin-in	Not trading	No
BBM Ltd	Spin-in	Active	No

IP monitor and plan: Updated 01/11/2013

Ref No.	Type of IP Patent Family (IP Company)	Inventor and Title	Filing Date/Priority Date	Financials	Development Plan & Stage	Commercial Potential	Progress since Jan 2013	Next steps
Staff Projects								
1	Copyright (small amount of practical know-how)	Martin Bush Product is QuizSlides Company has changed its name from Proper Computing to QuizSlides	First raised Aug 2010	Investment into project of: Repayable £15,000 from Student Enterprise PoC fund BDM time input of minimum 50 days Coaching of PCL team	QuizSlides product developed and tested. Some sales made. Company needs help to grow sales.	Technology – 8/10 Market – positive response from limited survey – market research is being carried out by Enterprise Department. Likelihood of income 50%	<ul style="list-style-type: none"> Quiz Slides will receive support and £15000 funding from the Student Enterprise Proof of concept fund which will be re-payable to the fund. SBUEL will receive 15% equity unless the contract is terminated before completion of 18 months. 	1 sale worth £7500 made (70% to SBUEL, 30% to QuizSlides) Some small foreign sales made.
2	Copyright	Larissa Fradkin Sound Mathematics	First raised Jan 2010	Possible auditing costs	Assignment for no equity, 7.5% royalty until £50k has been paid.	Assigned out of SBUEL. Likelihood of income 20%	N/A	Emailed to request sales figures
3	Patent UEL 007 (Lucas and Co)	Bob Imhof Measuring Vapour Flux	08/10/2002	Budget: 6000 Spent: 3777	Licensed to BIOX	Fully commercialised.	Accounts Due	Emailed to request end of year 2012 accounts
4	Patent (First	Paul Jones Socket	15/07/2010 UK Patent	Budget: 2000 Spent: 0	Prototype made and tested. Matt	Technology 8/10	Draft licence agreement now with Geddagrip	Awaiting response to

Ref No.	Type of IP Patent Family (IP Company)	Inventor and Title	Filing Date/Priority Date	Financials	Development Plan & Stage	Commercial Potential	Progress since Jan 2013	Next steps
	Thought IP)	Lockit		Forecast:0	Reed and Geddagrip interested	Market 7/10		confirm if they wish to proceed any further.
5	Patent (First Thought IP)	Simon Noyce Coursework submission system	25/01/2010	Budget: 0 Spent: 0 Forecast:0	Requires evidence based Business Plan	Technology 7/10 Market 5/10 as limited to HEIs	No progress from inventors who wanted to spin-out a business	This IP is not costing anything to protect and therefore continue waiting for inventors to spin-out
6	Patent (Potter Clarkson)	Basu Saha Alkenes Process	31/07/2009 Filed in EU, USA, China and India At examination stage in EU which is resulting in demands for further evidence and narrowing of claims due to 'obviousness' of invention	Budget: 12000 Spent: 7949 Forecast:7949	Commercial leads have gone cold with the companies initially interested so currently working of a cost-benefit analysis to reignite interest. EU examiner rejected patent and rebuttal due to 'lack of inventiveness'. Last rebuttal has been made with additional data.	This was identified as having potential but chemical companies do not want to take the licensing step. Technology 7/10 Market 5/10 for licensing but may be opportunities for gaining research consultancy or KTP.	Claims revised and response given to EU Examiner, August 2013. Office action raised by US patent office. Cost/benefit analysis commissioned with external consultant. An application has been made to the Royal Academy for Engineer for an Enterprise Grant (submitted 090913). The idea would be to establish small scale production and sales of high quality fine chemicals to the pharmaceutical and flavours industries.	Support information requests for the cost/benefit analysis. Await cost/benefit analysis outcome Await response from EU examiner

Ref No.	Type of IP Patent Family (IP Company)	Inventor and Title	Filing Date/Priority Date	Financials	Development Plan & Stage	Commercial Potential	Progress since Jan 2013	Next steps
Graduate Projects								
7	Copyright	Erlend Grefsrud Strongman Games computer code and design	Ka-Bloom	n/a	Licensed to Strongman Games Ltd		Company undertaking strategic review for new sources of income	Requested update on company
8	Trademark Design Copyright (in controller).	Arnold Du Toit Rolleygolf	25/11/2010 Patent at PCT and coming up to National applications – now assigned IP in development of controller Design registrations filed in EU, USA & South Africa Tademark for Rolley Golf and Drive Daddy.	N/A	Partnership with Texcel.	Technology 8/10 Market 8/10	Over the last year reports on the business and response to draft licence has been completely absent despite repeated requests. Due to lack of progress and reporting the IPSPG could not justify the £13000 + spend on National filings and lack of business plan prevented country selection therefore the patent was assigned back to the inventor.	SBUEL still holds Trademark and Registered Designs and therefore new draft licence agreement has been sent to inventor. On-going situation with company not responding. Decision to take no further action and wait for company to need to acquire IP
9	Patent (First Thought IP)	Judith Lane	20/06/2011 PCT	Budget:£2000 Spent: Forecast:	• Prototype manufactured	Technology 8/10 Market 8/10	Inventor contacted and agreeable to license to Such & Such if they	Examination requested

Ref No.	Type of IP Patent Family (IP Company)	Inventor and Title	Filing Date/Priority Date	Financials	Development Plan & Stage	Commercial Potential	Progress since Jan 2013	Next steps
		Calm Tea Cup	Design registration		<ul style="list-style-type: none"> Graduate left and therefore unknown progress 		want to obtain it.	
10	Design Registration (First Thought IP)	Hayley Smith Wrap-around cup handle	design registrations in Europe and USA	Budget: £2000 Spent: 0 Forecast:0	In production and market	Technology 7/10 Market 6/10	Draft Licence Agreement near to signing	Both technologies included in draft licence agreement
11	Design Registration (First Thought IP)	Hayley Smith Hooks for hanging Crutch		Budget: £2000 Spent: 0 Forecast:0	In production and Market	Technology 7/10 Market 6/10		
Invention Disclosures								
12	Copyright	Josh Oliver Feature Document ary and Associated Film Media	August 2011	Budget: 0 Spent: 0 Forecast:0	On Hold		Progress delayed due to sick leave	No expenditure by the University and no progress therefore will offer assignment back to inventor.
13	Invention Disclosure	Hayley Smith Pad for Crutch handle	TBC	Budget: 1000 Spent: 0 Forecast:0	Prototype made		No progress - Development on hold as they focus on Wrap-around cup handle and Hooks for hanging crutch	No expenditure by the University and no progress therefore will offer assignment back to inventor.
14	Invention Disclosure	Hayley Smith Suckipad	TBC	Budget: 1000 Spent: 0 Forecast:0	Prototype made		No progress - Development on hold as they focus on Wrap-around cup handle and Hooks for hanging crutch	No expenditure by the University and no progress therefore will offer assignment back to inventor.

Ref No.	Type of IP Patent Family (IP Company)	Inventor and Title	Filing Date/Priority Date	Financials	Development Plan & Stage	Commercial Potential	Progress since Jan 2013	Next steps
15	Invention Disclosure	Steve Dance Mega Sound Proofing	TBC		Steve Dance needs to build a prototype before filing		Awaiting prototype	Hold
16	Invention Disclosure	Chris Brock Sous Vide Cooker	Will be Sept/Oct 2013	Covered by new filings – Budget £4000	Prototyping team brought together to cover engineering and design		Project team put together and led by Dr Chris Brock. Market research completed. Awarded PoC grant of £9500 to make prototype to show to potential funders and collaborators and strengthen IP and value.	Manage project

	PAPER NO: UE.34(13)
Board:	South Bank University Enterprises Ltd
Date:	5 November 2013
Paper title:	South Bank University Enterprises Ltd: Audit findings
Author:	Rebecca Warren
Recommendation:	The Board is requested to consider the audit findings relevant to SBUEL.

The Audit Findings document for LSBU is attached, which applies, where relevant, to SBUEL. These are:

- Page 19: on credit control in SBUEL
- Page 15-16: Internal controls, 1: Journals authorisation

The Board's attention is particularly drawn to the following management response:

Management response

1. We agree that all journals should have a description of what the posting relates to. A description convention is being agreed.

2. Supporting documentation will always be available on Agresso. There are specific circumstances where documentation is held elsewhere on Agresso and therefore it is not necessary for this to be attached to the journal itself. For example a journal to recode purchase invoices, where the purchase invoices is stored electronically in the purchase ledger. These types of journals will be identified in the journal description which will also include the transaction number so the source documentation can be located on Agresso. All other journals will have their own supporting documentation uploaded onto Agresso.

Timescale for action in SBUEL
January 2014



DRAFT

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

The Audit Findings for London South Bank University and its subsidiary undertaking

Year ended 31 July 2013

October 2013

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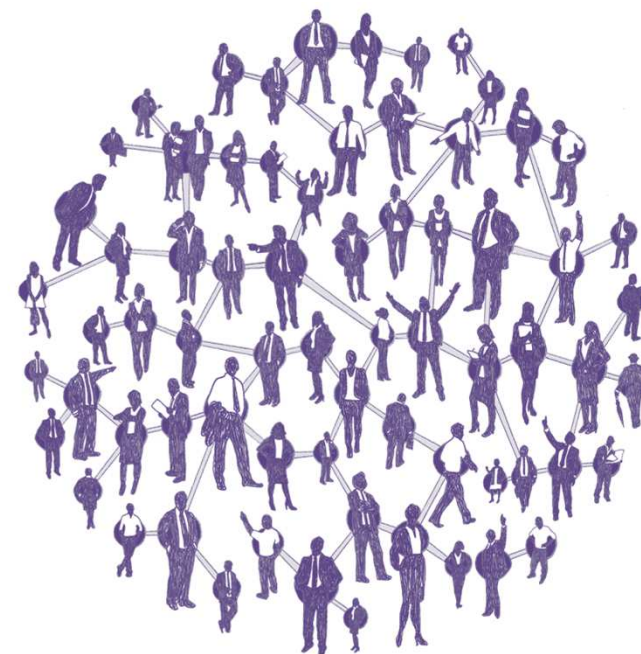
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31 October 2013

Audit Findings for London South Bank University and its subsidiary undertakings for the year ended 31 July 2013

This Audit Findings report highlights the significant findings arising from the audit for the benefit of those charged with governance, as required by International Standard on Auditing (UK & Ireland) 260. Its contents have been discussed with management.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours faithfully

Grant Thornton UK LLP

Chartered Accountants

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

1. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware which would require modification of our audit opinion, subject to the outstanding matters detailed below.



Update on September 2013 Tuition fees cash recovery
Revenue/debtors queries on SBUEL
Review of the lease agreement between SBUEL and LSBU
Updated financial statements for LSBU and SBUEL and technical review of the accounts
Finalisation of the tax review for SBUEL
Bank letters outstanding for Scottish Widows and HSBC Euro Liquidity Fund
HESA data collection report
Post balance sheet events review
Review of going concern and budgets and forecasts
Signed letter of representation

Status

- Potential to result in material adjustment or significant change in disclosures
- Not considered likely to result in material adjustment or change in disclosures

Audit opinion

Our anticipated audit report will be unmodified for the following entities:

- London South Bank University
- London South Bank University Enterprises Limited

1. Review of financial statements

Balance sheet

Account	Current year balance £'000	Prior year balance £'000	Variance %
Tangible assets	174,292	163,626	6.5%
Investments	38	38	0.0%
Endowment fixed assets	729	641	13.7%
Stock	18	46	-61%
Debtors	7,823	9,101	-14%
Bank deposits	5,206	5,145	1%
Cash at bank and in hand	54,750	64,001	-14%
Creditors:amounts falling due within one year	(38,137)	(40,746)	-6%
Creditors:amounts falling due after one year excluding pension liability	(29,592)	(31,062)	-5%
Provisions for liabilities	-	(1,179)	-100%
Pension liability	(62,211)	(74,664)	-17%
Reserves	112,916	94,947	19%

The prior year **provision** relates to over recruitment in 2010/11 plus the dilapidation provision on the temporary Student Union building. The over recruitment provision has now been paid and has therefore been reduced to nil. The Student Union dilapidations provision is no longer included in the consolidated position as the Student Union is no longer under the control of the University.

The **pension liability** has fallen primarily because of the increase in the discount rate and the gain on assets held within the pension scheme

Income and Expenditure

Account	Current year balance £'000	Prior year balance £'000	Variance %
Income			
Funding council grants	34,750	45,450	-24%
Academic fees and support grants	83,282	73,959	13%
Research grants and contracts	3,255	4,068	-20%
Other operating income	16,001	14,094	14%
Endowment and investment income	566	697	-19%
Expenditure			
Staff costs	73,619	72,725	1%
Depreciation and impairment	7,870	10,989	-28%
Other operating expenses	46,876	44,020	6%
Interest payable	3,433	4,019	-15%

Funding council grants and academic fees The HEFCE income has been significantly reduced in the current period due to the new funding arrangements in 2012/13 for new students. This has been offset by the increase in income for academic fees and support grants under the new funding regime.

Depreciation and impairment

The prior year depreciation charge included an impairment charge of £2,944k in relation to the Enterprise Centre. The depreciation charge remains similar year on year at approximately £8,000k.

3. Audit findings – Significant risks identified in our audit plan

	Risks identified in our audit plan	Audit findings and conclusions
1.	<p>Improper revenue recognition</p> <ul style="list-style-type: none"> Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue 	<p>In addition to the testing detailed in the individual revenue streams below, we have:</p> <ul style="list-style-type: none"> Reviewed and tested revenue recognition policies for all revenue streams; Tested key controls and significant revenue streams <p>Please refer to individual revenue streams discussed as noted below.</p>
2.	<p>Management override of controls</p> <ul style="list-style-type: none"> Under ISA 240 it is presumed that that the risk of management over-ride of controls is present in all entities. 	<p>To ensure that we have gained reasonable assurance that management over-ride of controls has not resulted in a material misstatement or fraudulent activities within the financial statements, we have performed the following work in this area:</p> <ul style="list-style-type: none"> Reviewed of accounting estimates, judgements and decisions made by management; Tested a sample of journals entries which have been determined through the use of our data interrogation software (IDEA) and focused on the higher risk journal postings; Identified the related parties of the University and a reviewed the procedures in place to ensure that any related party transactions are approved, captured and correctly presented within the financial statements; Reviewed unusual significant transactions as part of the journals testing. <p>We have identified some internal control findings in relation to journals authorisation and documentation which are discussed further in Section 4 Internal controls of this report.</p>

3. Audit findings – Other risks identified in our audit plan

	Risks identified in our audit plan	Audit findings and conclusions
3.	Valuation of properties	<p>We note that during the year the University had carried out the development of the Terraces into an Enterprise Centre which was completed in September 2013. In the prior year an impairment review resulted in a reduction in the carrying value of the development.</p> <p>For the current year, we have tested a sample of costs incurred to date which have included as part of the Assets Under Construction in the financial statements, checked that these appear reasonable and agreed these back to invoices.</p> <p>Conclusion</p> <p>We gained assurance over the valuation of properties. No issues were noted during the testing.</p>
4.	Risk that income from tuition fees and educational contracts has not been correctly recognised	<p>We have carried out substantive testing and analytical review of tuition fee income and we are pleased to report that no issues were identified. Income recognised in the year is in line with our expectation, which was based on actual student numbers and standard fees set by the Board for 2012/13.</p> <p>In addition to this, we have performed detailed testing on a sample basis in the period and agreed these back to student enrolment forms, SLC remittances, bank statements for self payers and sponsored students and agreed back to the QLS database records. No issues were noted on this testing carried out.</p> <p>We have reviewed the treatment of income from the Strategic Health Authority and agreed this back to the contracts and agreements where appropriate.</p> <p>Conclusion</p> <p>We gained assurance over the tuition fee and educational contracts income has been correctly recognised.</p>

3. Audit findings – Other risks identified in our audit plan

	Risks identified in our audit plan	Audit findings and conclusions
5.	Student numbers and the existence of HEFCE income	<p>We have agreed amounts recognised to remittance statements provided by HEFCE and reconciled these payments back to the most recent grant letter provided by HEFCE in March 2013.</p> <p>We have reviewed the HESES reconciliation and discussed this with appropriate personnel in Registry and Admissions. We have reviewed the provision from the previous year end and the movement in the year. We have also considered whether a provision is required for 2012-13 and discussed this with appropriate personnel in Registry, who compile the HESES report, to understand why they believe there will be no discrepancies.</p> <p>During the fieldwork it has been brought to our attention that an additional claw back of £124,408 in expected in respect of Widen Participation Funding and Teaching Enhancement and Student Success funding allocation due to adjustments made as part of the reconciliation process that was completed in April 2013. Although the amount is not considered to be significant to the financial statements, management has increased the year end provision to account for the above and we agree with this adjustment.</p> <p>Conclusion</p> <p>We are yet to review your HESA reconciliation, that is to be submitted in October 2013. All other testing in this area proved satisfactory.</p>
6.	Existence of accommodation income	<ul style="list-style-type: none"> We have carried out an analytical review of accommodation and other income for the year and perform "proof in total" testing where appropriate. <p>Conclusion</p> <p>No issues were noted from our work carried out in this area.</p>
7.	Recoverability of debtors	<ul style="list-style-type: none"> We have reviewed the recoverability of the debtors in respect of tuition fees, halls accommodation fees and sales ledger debtors. The policy for providing against student debts has broadly been applied consistently year on year at 90% with the exception that no bad debt provision has been made on SLC and Sponsors related fees debtors. No provision has been made against these debtors as there is not considered to be a risk of non-recovery and there are also creditor balances with the SLC and Sponsors. Management have concluded that as the overall position with SLC and Sponsors is a credit no bad debt provision is required. We note that management have increased the bad debt provision from £1,965,852 in 2012 to £3,321,581 against the tuition fees debtors. This increase is due to the fact that in the current year the bad debt provision has been calculated on the gross self funded students, before taking into account any credit balances. This is a change from the previous year as management believe this to be a reasonable estimate and methodology. We concur with management's treatment given that the risk exposure is considered to be on self funded students and there this appears to be reasonable. Based on our reviewing the ageing of the debtors profile and the looking at historic cash recoveries, the bad debt provision appears to be reasonable.

3. Audit findings - Other risks identified in our audit plan

	Risks identified in our audit plan	Audit findings and conclusions
8.	Risk that creditors and operating expenses are understated	<ul style="list-style-type: none"> We have enquired of accounting staff as to the possibility of unrecorded liabilities and examined any unprocessed invoices for unrecorded creditors. We have searched for unrecorded liabilities by reviewing the payments journal subsequent to the year end for large or unusual entries. We have reviewed all significant balance sheet items and compare to prior year and expectations and investigated any significant differences. We have reviewed expenditure streams for the year and verify significant items to supporting documentation. <p>Conclusion No issues have been noted during this work.</p>
9.	Risk that employee remuneration is overstated	<ul style="list-style-type: none"> We have analytically reviewed payroll expenses in comparison to prior years and budgets and investigated any significant or unexpected variances. We have also gained an understanding of procedures and controls in place to record and process employee remuneration. In addition to this we have performed tests (using data interrogation software) to identify exceptions such as duplicate employee names, NI numbers, monthly significant fluctuations in pay and investigated the results. We noted during our testing some control issues which has been discussed in further details in Section 4 Internal controls. We do not consider these to be material to the financial statements. <p>Conclusion Other than the control points addressed below, testing in this area proved satisfactory.</p>
10.	Loan covenants	<ul style="list-style-type: none"> We have reviewed the calculations in relation to all financial covenants to ensure these have been appropriately calculated and have reviewed compliance with non-financial covenants and obtained a direct email confirmation from the lenders, Barclays Bank Plc which confirms that there were no breaches in the covenants. <p>Conclusion All testing in this area proved satisfactory.</p>

3. Audit findings - Other risks identified in our audit plan

	Risks identified in our audit plan	Audit findings and conclusions
11.	Student Union	<p>We note that because of a change in the constitution of London South Bank University Student Union from July 2013, the University no longer exercised control over the Student Union and it has not longer been included in the consolidation of the University.</p> <p>We have reviewed the amended constitution to ensure that this conclusion is correct and the Union has been excluded from the results of the Group for the year ended 31 July 2013.</p> <p>The loss of control of the Student Union has been shown as a derecognition of the net assets of the Group and included as an exceptional item in the income and expenditure account.</p> <p>Conclusion We concur with the treatment of the loss of control of the Student Union</p>
12.	Pension liability	<p>We have reviewed the actuarial assumptions suggested by Barnett Waddingham and agree that these assumptions appear reasonable. For further details of benchmarking of the assumptions compared to other educational institutions please see Section 7.</p>
13.	Going Concern	<p>We have reviewed the five year forecast and the paper the Executive Director of Finance has prepared for the Audit Committee on the going concern status of the University.</p> <p>Conclusion This review has not highlighted any issues which require reporting to the Board.</p>

3. Audit findings – Risks identified during the course of the audit

This section provides commentary on new issues and risks which were identified during the course of the audit and were not previously communicated in the Audit Plan

	Issue arising	Audit findings and conclusions
1.	Large SLC credit balances on the debtors ledger	<p>We have reviewed the reconciliation of the balance due from the Student Loans Company (SLC) and compared this to the amount that has been accrued for at the period end. Management have accrued for £1,899,400 at the year end; however the report from the SLC website shows that £1,029,000 is due. It appears that the accrual at the period end is higher by £870,347. Per discussions with management we note that this is due to a timing difference between the University's records and the information being updated on the SLC website portal as a result of fee waivers processed towards the end of the year. Management expect the SLC to recover this money in their first remittance for 2013/14. On this basis we have not proposed an adjustment to reduce the year end liability and do not consider it to be material to the financial statements.</p> <p>We have reviewed a sample of NSP transactions to which this timing differences relates to verify this explanation.</p> <p>Conclusion</p> <p>We conclude that no adjustment is required in respect of this difference.</p>
2.	Legal cases in the year/pending	<p>A solicitors letter was obtained from Muckle and reviewed during the audit fieldwork.</p> <p>We noted that there are two employment tribunal related cases on-going and pending a final outcome as at the audit fieldwork date.</p> <p>In total the two cases are expected to result in a maximum pay out of £144,000 with solicitors fees of approximately £26,000. We understand that management have currently not provided or disclosed for these amounts in the financial statements.</p> <p>Conclusion</p> <p>We conclude that the amount is not material to the financial statements no disclosure is made in the financial statements in respect of the above contingent liabilities.</p>

3. Audit findings – Risks identified during the course of the audit

This section provides commentary on new issues and risks which were identified during the course of the audit and were not previously communicated in the Audit Plan


	Issue arising	Audit findings and conclusions
3.	Halls Debtor Reconciliation	<p>A long standing problem with the financial transactional data transferred from the Kinetics Accommodation system (KX) to Agresso has resulted in a credit balance accruing on the control accounts within bank and cash which management had historically been unable to reconcile. For our audit year, we understand that management has taken the total Agresso balance as at the end of July 2013 and compared this to the balance held in KX. The difference of £701,830 is considered to be the write off as the balance in KX is accurate as this is where the data in relation to the student halls debtor is processed and managed. We note that there remains an insignificant difference of £18,000 between what KX reports as the debtors balance and what is recorded in Agresso.</p> <p>From May 2013 management have carried out monthly reconciliation to ensure that this difference does not increase significantly and it s reconciled to payments made in advance.</p> <p>In addition to this, we have reviewed the halls debtor reconciliation for the year end period and tested a sample of 25 transactions (payments and invoices raised in the period) posted through Agresso and agreed these back to the KX system and also the cash recovery through the bank statement to follow the process through from initiation to completion.</p> <p>Conclusion</p> <p>We conclude that the halls debtor balance is materially correct.</p>
4.	Difference on the opening reserves	<p>During our review of the reserves, we noted a difference of approximately £651,000 on the opening reserves within the University. Management has reconciled this difference and noted that majority of this balance for £559,886 was due to the Gift Aid donation in 2011 had not been put through the statutory accounts. Management had put the transaction through Agresso, the accounting system but not the Reserves note or Intercompany in the financial statements.</p> <p>The remaining difference of approximately £92,000 is believed to be due to intercompany transactions that had not been correctly stated in the intercompany debtor balance within the University accounts.</p> <p>There is no impact on the consolidated position rising from the above error; however it will impact the University's balance sheet and its reserves note comparative for the prior (2012) year.</p> <p>Conclusion</p> <p>We conclude that this is the correct treatment.</p>

Audit findings – Other communication requirements

	Issue	Commentary
1.	Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit Committee and instances of fraud in the year, which are immaterial for audit purposes. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures. We have also discussed fraud with the internal audit team.
2.	Matters in relation to related parties	We are not aware of any related party transactions which have not been disclosed.
3.	Matters in relation to laws and regulations	We are not aware of any significant incidences of non-compliance with relevant laws and regulations Comment on regularity of use of funds (re Regularity opinion)
4.	Written representations	As in previous years we will include a representation on data assurance in addition to our standard representations
5.	Disclosures	We are yet to carry out a detailed technical review of the financial statements and our work in this area is pending. These will be communicated to the finance team and their resolution will be discussed and reviewed in the final set of financial statements.

4. Internal controls


- The purpose of an audit is to express an opinion on the financial statements.
- Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control
- The matters being reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with ISA 265
- If we had performed more extensive procedures on internal control, we might have identified more deficiencies to be reported.
- During our work we have met with the internal auditors and held independent discussions to make sure we are aware of any issues they may have that might be relevant for our external audit, or where we believe we should make them aware of any concerns arising from our work. Although we do not place direct reliance on the work of the internal auditors, we take into account their findings, and if necessary amend our audit approach as may be required.

	Assessment	Issue and risk	Recommendations
1.		<p>Journals authorisation</p> <p>There are currently two journal posting systems in operation: one system (J5) is primarily used by the financial accounting team while the other (G6) is primarily used by the business support management team. J5 journals are uploaded and require an electronic authorisation of each journal posted. The old G6 system is where journals are manually input in to Agresso. The G6 system does not require any electronic authorisation of any journals before they are posted and there is no manual authorisation process in place as the numbers of journals are significant.</p> <p>We noted that all journals had supporting documentation however this documentation was not always uploaded onto the Agresso system.</p> <p>In addition to this, we also noted that journals posted in the period without any descriptions as to what the journal related to.</p>	<p>We understand that there are practical reasons why two systems are currently in operation: the J5 system being used for large multi-line journals and the G6 system for short corrections and adjustments. We also note that manual G6 journals posted by the Financial accountant are not reviewed or approved by the financial controller until the end of month process. We do, however, appreciate the fact that risk of misstatements through journals is mitigated through the preparation and review of month end management accounts, including the reconciliation of balance sheet accounts.</p> <p>We recommend that all journals posted have a description of what the posting relates to. This will aid the reviewer and approver as part of the authorisation and monitoring control over journal postings. Poorly-controlled journal posting processes mean that errors or fraud can occur and go undetected. With the heightened risk of fraud caused by the current economic conditions, improving controls over journals should be an area of focus for the Board.</p> <p>We recommend that all supporting documentation in relation to a journal is uploaded onto Agresso by the team.</p> <p>Management response</p> <p>1. We agree that all journals should have a description of what the posting relates to. A description convention is being agreed.</p>


Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

4. Internal controls

	Assessment	Issue and risk	Recommendations
			<p>Management response</p> <p>2. Supporting documentation will always be available on Agresso. There are specific circumstances where documentation is held elsewhere on Agresso and therefore it is not necessary for this to be attached to the journal itself. For example a journal to recode purchase invoices, where the purchase invoices is stored electronically in the purchase ledger. These types of journals will be identified in the journal description which will also include the transaction number so the source documentation can be located on Agresso. All other journals will have their own supporting documentation uploaded onto Agresso.</p> <p>3. A review of the reason for correcting journals is being undertaken and a plan put in place to reduce the number of errors and therefore correcting journals.</p> <p>Timescale for action November 2013</p> <p>Person responsible Financial Controller and Financial Planning Manager</p>
2.		<p>Suspense account</p> <p>Although the use of the suspense account has reduced overall this year, we still noted there were several old balances on the creditors.</p>	<p>We recommend that all suspense accounts are cleared on a timely basis and allocated to the appropriate areas.</p> <p>Management response</p> <p>This account will be allocated against the correct posting string in 2013/14 and going forward it will be cleared as part of each month end process – in line with other suspense accounts that are in use.</p> <p>Timescale for action December 2013</p> <p>Person responsible Financial controller</p>

4. Internal controls

	Assessment	Issue and risk	Recommendations
3.		<p>Payroll controls</p> <p>From this testing we noted that there was no contract available for one member of staff in our starters and leavers testing.</p> <p>In addition to this we noted that currently management carry out a monthly reconciliation between the payroll records and the bank statements and a variance is noted each month which is reconciled by the assistant financial accountant and reviewed by the financial accountant. However we noted that this review process was not formally documented.</p> <p>Our understanding is that this difference is due to the fact that each month, a BACS recall has been carried out for some employees whose pay has been incorrectly calculated as negative net pay by the payroll system currently used by the University. We have reviewed the payroll reconciliation as part of our audit work and have no other issues to report on this.</p>	<p>We recommend that signed employment contracts are place for all members of staff.</p> <p>We recommend that existing procedures are tightened whereby any changes in relation to secondee employees are informed to the finance team by HR on a timely basis with information provided on the start and end dates/agreed payments to these employees. Thus, this will effectively ensure all accruals and liabilities in relation to secondee employees are captured appropriately and matched to the invoice received from the NHS trusts.</p> <p>We understand that management are currently in process of implementing a new payroll so that such errors are avoided in the future. In the mean time, we would continue to recommend that any negative pay is immediately flagged up prior to the payroll being sent out to the outsourced payroll bureau.</p> <p>In addition to this, we recommend to management that the monthly reconciliation of the payroll report to the bank statements together with any reconciling items once investigated by the finance team, are formally approved by the Financial Controller and that this is a documented process.</p> <p>Management response</p> <p>There is usually a difference between net pay reported from the payroll compared to net pay that is paid out and is therefore recorded on the bank account. This is because once the payroll is run, a number of payments will be recalled due to errors being spotted or late notifications of changes to salary. In these cases payments to these staff will be made outside the main payroll and processed through the payroll in the following month. A monthly reconciliation of the net pay control account is undertaken by the Financial Accounting team to ensure that all reconciling items are processed in the following month. Going forward a copy of this reconciliation will be reviewed and signed off by the Financial Controller and will be filed with the monthly payroll so the differences are clearly recorded in payroll files.</p> <p>Regarding the contract of employment, the member of staff did receive a contract but a copy was not retained on file. HR will put in place a checking process to ensure that all contracts are put on file.</p> <p>Timescale for action November 2013</p> <p>Person responsible Financial controller (in respect of payroll) Katie Boyce (employment contract)</p>

4. Internal controls – Actions taken on issues raised in prior year

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1.	X	<p>Oracle database management</p> <p>We recommended that IT establishes named user accounts at the Oracle database level. IT should also review the audit logging capability of the Oracle database to ensure that data and system changes are logged. Such audit logs should be monitored periodically, preferably by an individual independent of IT within the business who does not have direct access to the database.</p> <p>As a minimum, critical tables within the system such as bank details and supplier and customer master files should be restricted and any alterations made to fields within these logged and reviewed periodically.</p>	<p>Management commentary</p> <p>The Oracle DBAs have no knowledge of the Agresso system and its data structures. The potential that a DBA could successfully apply changes at the database level with the consistency required to be valid is very small. It is possible to run reports to determine which tables have been accessed using the DBA accounts. In the opinion of ICT it is highly unlikely that the DBAs could successfully complete a fraudulent act on the Agresso Business World system.</p>
2.	✓	<p>IT - Business continuity</p> <p>We recommended that LSBU documented and formally communicated the Disaster Recovery plan/ arrangements over the organisation's IT infrastructure. The plan should ensure that offsite back-up arrangements are established. Once the plan is in place we also recommend that the plan is periodically tested at least once a year.</p>	<p>Management commentary</p> <p>The ICT disaster recovery plan / arrangements have been documented and are being progressed in conjunction with the LSBU Business Continuity Steering Group. At this point no data is held off-site. Two potential solutions are being progressed and business cases are currently being considered by the University.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

4. Internal controls – Actions taken on issues raised in prior year

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
3.	X	<p>Logical access parameters</p> <p>We recommended that the following best practice password parameters be enforced on the network, Agresso Web and the core Agresso system:</p> <ul style="list-style-type: none"> • minimum password length of 6-8 characters • minimum password age of at least 1 day • maximum password age of 30-60 days • alphanumeric passwords (complexity) enabled • account lockout set to 3-5 invalid lockout attempts • inactivity lockout set to 10-20 minutes • lockout period should be set to indefinite, with access only • reinstated by an administrator 	<p>Management commentary</p> <p>Guidance has been changed to recommend that strong passwords be used ;however until the core identity management system is changed these cannot be enforced. The LSBU Executive has recently agreed a business case for Identity and Access Management that will enable a new solution to be procured.</p>
4.	✓	<p>Credit control – SBUEL</p> <p>In the prior year we had noted some credit control issues where old debts were not being chased up effectively. The management of SBUEL were working with LKIC to recover the outstanding debts and to modify future letting arrangements to avoid such difficulties arising going forward.</p>	<p>Management commentary</p> <p>We are yet to complete our work on this area as part of the revenue testing on SBUEL, and are currently awaiting for information from management to complete this testing.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

5. Adjusted misstatements

London South Bank University

Journal reference	Detail	Income Statement		Balance sheet		Surplus effect
		Debit	Credit	Debit	Credit	
1	DR Other debtors CR Other creditors Being a reclassification of the bursary underspend, which is reclaimable.			282,485	282,485	-
2	DR Sales aged debtors CR Other creditors Being the reclassification of credit balances on the debtors ledger			153,719	153,719	-
3	DR Short term investments CR Cash Being the Bank of Scotland deposit account reclassification in line with FRS 1			5,205,968	5,205,968	-
4	DR Cash CR Other creditors Being the reclassification of amounts payable to SLC creditors			64,153	64,153	-
5	DR Short term investments CR Cash Being the reclassification of deposits from cash to short term investments			15,579,843	15,579,843	-
6	DR Intercompany debtor CR Retained earning brought forward Being the prior year adjustment to correct the opening reserves			651,000	651,000	-
7	Dr Funding council grants Dr Provision for liabilities Cr Accruals and deferred income Being adjustment to funding income (see section 3.5)	107,247		14,814	122,061	(107,247)

South Bank University Enterprise Limited

Journal reference	Detail	Profit and loss account		Balance sheet		Profit effect
		Debit	Credit	Debit	Credit	
1	DR Bad debt provision CR Bad debt expense account Being the amount from Red Hat Inc. post year end and as a result no bad debt provision is required.		6,110	6,110		6,110
2	DR Accrued income CR Revenue Being the correction of the understatement of accrued income		8,230	8,230		8,230

5. Unadjusted misstatements

No unadjusted misstatements have been noted.

6. Non-audit fees and independence

	Fees	Threat Y/N	Safeguard
Tax compliance services	£2,460	• Yes	Use of separate teams
iXBRL tagging	£850	• No	Use of separate teams
Total non-audit services	£3,310		

- The above non-audit services are consistent with the University's policy on the allotment of non-audit work to your auditors.

Independence and ethics:

Ethical standards and ISA UK 260 requires us to give you full and fair disclosure of matters relating to our independence. In this context, we disclose the following to you:

- we confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements
- we confirm that we have implemented policies and procedures to meet the requirement of the Auditing Practices Board's Ethical Standards

7. Pension

The following table shows the key mortality assumptions used by the actuaries.

Mortality (based on future life expectancies at the age of 65)	2013	Benchmark* (years)
Current pensioners - male	20.9	17.00-23.80
Current pensioners - female	23.9	19.00-25.20
Future pensioners – male	22.9	18.00-25.10
Future pensioners - female	25.8	20.00-27.20
* Benchmark has been obtained from various other Educational institutions		

Mortality / life expectancy

The derivation of the assumption for future mortality is one of the most subjective areas of the actuarial basis. The assumption for mortality before retirement has a relatively minor impact on the liabilities and this section therefore considers only the assumptions made for mortality after retirement.

The Base Table

The base table that has been used in the calculations is the Club Vita tables, which is based on the mortality experience of life insurers. This table is in common use for UK defined benefit pension plans and so the base table that has been used by the Actuary is acceptable.

Projected Improvements

The method used to allow for future improvements in mortality is critical in the assessment of the liabilities. The mortality assumptions has been set using Club Vita mortality analysis. This has then been projected using a medium cohort projection with a minimum rate of improvement of 1%.

The benchmarking shows that the figures for London South Bank University are mid-range for the other educational institutions reviewed. Please note that we do tend to observe lower mortality assumptions associated with Local Government Pension Schemes.

In summary the mortality assumptions produce life expectancies within a reasonable range and are therefore acceptable.

7. Pension

The following table shows the key assumptions used by the actuaries.

Actuarial assumptions	2013	2012	Benchmark*
Pension increases	2.5%	1.8%	1.9%-3.25%
Salary increases	4.2%	3.5%	1.9%-5.1%
Discount rate	4.7%	3.9%	3.6%-5.6%
CPI increases	2.5%	1.8%	2.1%-3.25%

* Benchmark has been obtained from various other Educational institutions

Pension increases

The assumptions for pension increases are based on (CPI) inflation. These assumptions should be based on the inflation assumption but adjusted to allow for the relevant cap and floor (if applicable) to the extent that inflation is expected to vary in future years. Given our expectations of future inflation volatility (based on past experience), we are happy that the proposed assumptions for pension increases are appropriate.

Salary increases

The rate assumed, 4.20% pa, represents a 0.90% pa real salary increase above the (RPI) inflation rate assumption adopted. In the past the usual range above inflation was between 0.5% and 1.5% pa. However, due to changing economic conditions, the typical margin we have observed over recent periods has reduced to, in some cases, zero.

The rate proposed can therefore be considered to be fairly conservative.

Discount rate

The discount rate should be determined by reference to market yields at the balance sheet date on high quality corporate bonds. For this purpose, in the UK, the universal approach is to base the discount rate on the yields available on AA-rated corporate bonds of appropriate term and currency to the liabilities.

The yield on the iBoxx AA-rated Corporate Bond Index (for terms of over 15 years) (the "iBoxx index") as at 31 July 2013 was 4.33% pa. The Actuary has adopted a discount rate of 4.70% pa as at 31 July 2013.

We have recently seen a trend in alternative methods being used to derive the discount rate, where spot yields of the bond universe are combined with the scheme's expected future cashflows to determine a scheme specific discount rate. It can be argued that using these methods the rate more accurately reflects the duration of the scheme's liabilities.

CPI increase

Standard practice is to derive the CPI assumption based on the RPI assumption. Based on our RPI assumption a downward adjustment of 0.80% has been made to RPI inflation in this case.

Since the introduction of the CPI measure in 2010, we have been observing downward adjustments of between 0.50% and 1.00%, from the RPI to produce estimates of CPI.

There was the suggestion that the way RPI is calculated would be changed to produce an index closer to the CPI. However, the Office for National Statistics (ONS) announced on 10 January 2013 that it would not be changing the index (as expected), but instead introducing a new index (RPIJ) from March 2013. This will not affect pension schemes unless trustees specifically choose to adopt RPIJ. We expect the RPI/CPI wedge to remain between 0.50% and 1.00% and therefore this assumption is reasonable.

8. VAT

As part of our audit work, we carried out a review of the VAT status of the University and we would like to draw management's attention to a number of areas:

Potential risks

The issues raised last year regarding overseas recruitment fees and grant income remain risks, although given the HMRC visit in 2012 and no concerns being identified last year these would not appear to be of significance. Depending on when the University registered for VAT there may be a four year limit on HMRC assessing for VAT on overseas agents fees and we understand that the University has been correctly accounting for the VAT since 1 January 2010.

The only additional risk which may have arisen from 1 August 2013 (after the period end) is that the VAT exemption for supplies of research between eligible bodies has been withdrawn, therefore if the University makes or receives supplies of research these should now be standard rated for VAT purposes.

Potential opportunities

There are a number of universities submitting claims to recover VAT overcharged on light, heat and power costs where this correctly qualifies for the reduced rate of VAT as domestic or non-business (particularly where there are non-business research activities). If the University has not considered its position to maximise the eligibility for reduced rate relief we would be more than happy to discuss this further with you.

We are able to refer you to a member of our VAT team should you require further assistance on the above matters or wish to discuss them in more detail.

9. Financial reporting and other developments

Alignment of International and UK Accounting

The new accounting requirements, included in Financial Reporting Standard 102 (the Standard) will apply to the financial statements of the University for 2015-16 but earlier work will be needed to provide comparative data, including restatement of opening balances at 1 August 2014. The draft HE/FE SORP, which supports the new accounting framework in FRS 102, has been released for consultation. The aim of the revised SORP is to interpret the Standard to aid consistency and comparability of financial reporting across the sector. The consultation is open until 17 November 2013 and responses to the consultation from Universities are encouraged. The key proposed differences between the existing UK GAAP reporting framework and the new reporting framework are summarised below:

- **Capital grants**-Most capital grants will be credited to the income statement under the performance model rather than being deferred on the balance sheet. This will result in more volatility in the income and expenditure account.
- **Deficit recovery plans for defined benefit pension schemes accounted for as a defined contribution scheme**- Any agreed deficit recovery plan will be recognised as a liability on the balance sheet and unwound over time as the liability is discharged.
- **Holiday pay accruals**- Accruals will be required for any annual leave incurred but not taken where the holiday year end is non-coterminous with the financial year.
- **Service concession arrangements**- Any arrangements entered into with third party student accommodation providers are likely to be brought onto the balance sheet if a university, as grantor, retains control over the arrangement.
- **Fair values**- The value of a number of assets and liabilities will now be recorded at fair value with changes in value taken to the income statement for example, endowments, other investments, some loans with more complex terms and other financial instruments such as interest rate swaps.
- **Classification of tangible fixed assets**-Some fixed assets may be reclassified as investment properties.

Company law

At present companies are required to prepare a directors' report in their financial statements. For years ending on or after 30 September 2013, companies, including companies limited by guarantee, such as London South Bank University, will be required to prepare two reports contained within the financial statements being, 'The annual report' and 'The strategic report'.

The annual report is much like the current operating and financial review, and should contain a fair, balanced and understandable assessment of the company. The strategic report should contain information about risks, uncertainties, key performance indicators and future developments. The content is not significantly different from current reporting requirements and will be required for the year ended 31 July 2014 onwards.

9. Financial reporting and other developments

HEFCE Financial Memorandum Consultation

HEFCE are currently consulting on the proposed changes to the Financial Memorandum which will take effect on 1 August 2014 (consultation closes 6 December 2013). The changes proposed in the consultation take account of the Government's recent reforms to the funding and regulation of HE as well as changes in how banks lend money to universities and colleges.

The key proposed changes are:

- Changes to the thresholds for approval from HEFCE to take out additional borrowing. This is to ensure HEIs are not taking on financial commitments that are unaffordable.
- A register of HE providers- this will provide information to prospective and current students on corporate form, quality assurance and student complaints and also highlight any issues that HEFCE feel is necessary to bring to the student's attention. The information in this register could influence a student's decision about where to study.
- Consideration of an Institutional sustainability assessment and report- Adoption will be of benefit to governing bodies, provide valuable assurance to HEFCE and research councils and could serve multiple purposes including the institution's own going concern assessments.

HEFCE Accounts Direction

The HEFCE Accounts direction for 2013-14 has now been released and includes disclosure requirements for the next financial year end. There are only minor changes to the Direction in relation to remuneration and governance disclosures. We are expecting further guidance to be issued in respect of going concern disclosures but are still awaiting the outcome of the Lord Sharman enquiry before this is finalised.

Audit reporting

The Financial Reporting Council has issued ISA (UK & Ireland) 700 (Revised) 'Auditor's report on the financial statements'. The effective date is for audits of financial statements for periods commencing on or after 1 October 2012, which for Universities is the year ended 31 July 2014. The revised standard is designed to complement changes made to the UK Corporate Governance Code in October 2012.

This change applies to entities that are required (i.e. listed companies), and those that choose voluntarily, to report on how they have applied the UK Corporate Governance Code. Therefore, if a University includes a statement in their Corporate Governance report stating that they comply, even in part, with the UK Corporate Governance Code, there will be additional requirements on us, as auditors, to report on the scope of the audit, the key risks and the application of the concept of materiality. This is likely to have an impact on the level of our fees.

As a result, the governing body should consider whether the statement should state compliance with the UK Code of Governance, given it is not mandatory in the sector. Other wording may be more appropriate and avoid additional audit requirements.

10. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the Group's accounting and financial reporting practices, significant matters and issue arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence		✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to Going Concern		✓
<i>INCLUDE AS APPROPRIATE</i> Matters in relation to the Group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	✓	✓

International Auditing Standard (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, The Audit Findings, outlines those key issues and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the governing body and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISA's (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

DRAFT



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	PAPER NO: UE.35(13)
Board:	South Bank University Enterprises Ltd
Date:	5 November 2013
Paper title:	South Bank University Enterprises Ltd: Statutory accounts for the year ended 31 July 2013
Author:	Rebecca Warren, Accountant
Recommendation:	The Board is requested to approve the statutory accounts for the year ended 31 July 2013.

The statutory accounts are presented to the Board for approval.

Having due regard to the financial performance of the company and the future business plan, the Board are requested to recommend to the University's Board of Governors (as the Parent Company) that the entire taxable profit of £533,560 is paid to the University as Gift Aid.

Since the accounting profit exceeds the taxable profit, profit of £30,579 will be retained in the company. The current Gift Aid policy is attached for information.

Gift Aid Policy approved by the Board at the SBUEL board meeting on 26 June 2012

South Bank University Enterprises Ltd (SBUEL) is the trading subsidiary of London South Bank University (the University), and is entirely owned by the University. Each year, the taxable profit of SBUEL is calculated alongside the calculation of the accounting profit. Normal policy is that once the accounts have been finalised, the taxable profit is paid by SBUEL to the University by Gift Aid, thereby eliminating all taxable profits of SBUEL in year and avoiding any corporation tax charges. However, subject to agreement by LSBU, the directors of SBUEL may recommend retaining an element of the taxable profits within SBUEL, and paying the associated corporation tax charge. Gift Aid payments must be made within nine months of the year-end (so if the year-end is July, the payment must be made by the end of the following April). The corporation tax return, which must be submitted to HMRC within one year of the year end, is prepared after the Gift Aid has been paid.

Company Registration No. 2307211

South Bank University Enterprises Limited

Report and Financial Statements

31 July 2013

South Bank University Enterprises Limited

Report and financial statements 2013

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South Bank University Enterprises Limited

Report and financial statements 2013

Officers and professional advisers

Directors

Mr Richard Flatman (Chairman until 1.08.12; continued as Director from 1.08.12)

Ms Bev Jullien

Mr Tim Gebbels

Mr James Smith (appointed Director and Chairman 1.08.12)

Professor Julian Beer (appointed 1.03.13)

Secretary

Mr James Stevenson

Registered Office

103 Borough Road
London
SE1 0AA

Bankers

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

Solicitors

Muckle
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Auditors

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

South Bank University Enterprises Limited

Company Registration No. 2307211

Directors' report

Ownership

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

Review of Activities

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

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

Result for the year

Turnover of £2,086,013 was a slight reduction from 2012, and there was also a slight reduction in operating profit margin, from 30% to 27%, due to increased employee numbers and restructuring of the lettings business.

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.

Future Prospects

The Company foresees trading conditions to remain challenging over the next 12 months. Strong competition from other universities and external organisations, allied to generally tight trading conditions and cutbacks in Central and Local Government expenditure, are expected to impact upon the Company's activities and income. However, the Company's restructure (last year) has positioned it better to deliver its objectives in the face of continuing market challenges. While growing research and innovation links with commercial organisations, especially medium and large businesses, remains a priority, the Company is also increasingly focusing on opportunities to deliver professionally accredited Continuing Professional Development. In addition, with the opening of the Clarence Centre for Enterprise and Innovation, the Company is building its commercial engagement with the local community of 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' 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 (2012: none).

No Director had any interests in the shares of the Company or any other group company (2012: none).

Employment Policy

As at the year-end the Company had 11 employees. All other persons associated with the Company are employees of London South Bank University.

The Company, being a wholly owned subsidiary of London South Bank University, has the same policy on employment as its parent organisation.

Disclosure of information to auditors

At the date of making this report each of the Directors, as set out on page 1, confirm the following:

- So far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware, and;

South Bank University Enterprises Limited
Company Registration No. 2307211

Directors' report

- Each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Auditors

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

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

Approval

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

Mr Richard Flatman

Director

21 November 2013

South Bank University Enterprises Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditor's Report to the Members of South Bank University Enterprises Limited

We have audited the financial statements of South Bank University Enterprises Limited for the year ended 31 July 2013 which comprise the profit and loss account, the balance sheet, the principal accounting policies and notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of South Bank University Enterprises Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Barnes

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

21 November 2013

South Bank University Enterprises Limited

Profit and loss account Year ended 31 July 2013

	Note	2013 £	2012 £
Turnover	1	2,086,013	2,161,852
Cost of sales		(1,083,332)	(1,155,157)
Gross profit		<u>1,002,681</u>	<u>1,006,695</u>
Administrative expenses		(446,843)	(361,959)
Operating profit	2	555,838	644,736
Interest receivable	4	8,301	9,087
Interest payable	5	-	(1,290)
Profit on ordinary activities before Gift Aid for the financial year		<u>564,139</u>	<u>652,533</u>
Gift Aid	6	(533,560)	(648,240)
Profit on ordinary activities after Gift Aid for the financial year		<u>30,579</u>	<u>4,293</u>
Tax on profits on ordinary activities	7	-	-
Profit on ordinary activities after taxation for the financial year		<u><u>30,579</u></u>	<u><u>4,293</u></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 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	8	69	69
		<u> </u>	<u> </u>
Current assets			
Debtors	9	69,954	217,910
Cash at bank and in hand		929,319	1,140,614
		<u>999,273</u>	<u>1,358,524</u>
Creditors: amounts falling due within one year	10	<u>(853,236)</u>	<u>(1,243,066)</u>
Net current assets/(liabilities)		<u>146,037</u>	<u>115,458</u>
Total assets less current liabilities		146,106	115,527
		<u> </u>	<u> </u>
Net assets/(liabilities)		<u><u>146,106</u></u>	<u><u>115,527</u></u>
Capital and reserves			
Called up share capital	11	10	10
Profit and loss account	12	146,096	115,517
		<u> </u>	<u> </u>
Total equity shareholders' funds/(deficit)		<u><u>146,106</u></u>	<u><u>115,527</u></u>

These financial statements were authorised and approved by the Board of Directors on 21 November 2013.

Signed on behalf of the Board of Directors

Mr Richard Flatman, Director

South Bank University Enterprises Limited

Principal accounting policies Year ended 31 July 2013

Basis of Preparation

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

Accounting Convention

The accounts have been prepared under the historical cost convention.

Going Concern

The company has been recapitalised in the year and 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 of sales in relation to consultancy work, contract research, sale of materials and letting facilities.

Cost of Sales

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

Fixed Asset Investments

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

Cash Flow Statement

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

Taxation

The Company makes a Gift Aid payment to London South Bank University sufficient to reduce its taxable profit for the year to zero. Taxable profit differs from the net profit/(loss) as reported in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

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

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2013

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:

	2013	2012
	£	£
United Kingdom	1,983,869	2,100,747
Other European countries	78,961	16,458
North America	-	25,167
Asia	-	1,250
Australasia	23,183	18,230
	<u>2,086,013</u>	<u>2,161,852</u>

2. Operating profit

	2013	2012
	£	£
Operating profit is stated after charging		
Fees payable to the Company's auditor:		
- for the audit of the financial statements	-	3,500
- for other services – taxation	3,762	3,286
	<u>3,762</u>	<u>3,286</u>

3. Staff costs and Directors' remuneration

The Company had 11 employees at the year-end (2012: three). All other persons associated with the Company are employees of London South Bank University. One Director employed by the Company received remuneration totalling £118,995 (2012: £66,245).

4. Interest receivable

	2013	2012
	£	£
Bank interest receivable	8,301	9,087
	<u>8,301</u>	<u>9,087</u>

5. Interest Payable

	2013	2012
	£	£
Loan from London South Bank University	-	1,290
	<u>-</u>	<u>1,290</u>

6. Payment under Gift Aid

For the year ending 31 July 2013 the company has approved payment of £533,560 of its taxable profit under the Gift Aid scheme to London South Bank University (2012: £648,240).

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2013

7. Taxation

The 2013 tax charge is nil (2012: nil).

	2013	2012
	£	£
Profit/(Loss) on ordinary activities before tax	30,579	4,293
Taxation on profit/(loss) on ordinary activities at 23.67 % (2012: 25.33%)	7,237	(1,087)
Effects of:		
Expenses not deductible for taxation purposes	4	95
Capital allowances in excess of depreciation	(829)	(1,182)
Utilisation of tax losses and other deductions	(6,412)	-
Current tax	-	-

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

The amount of the asset not recognised is £13,410 (2012: £22,459).

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

8. Fixed Asset Investments

At 1 August 2012	£ 69
At 31 July 2013	£ 69

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

Name of company	Percentage holding of ordinary shares	Nature of business	Date of last accounts	Profit	Reserves
				£	£
Biox Systems Limited	24%	Development of medical products	31 Oct 2012	7,790	170,478
London Knowledge Innovation Centre Ltd	50%	Start-up business incubator	31 Mar 2012	-	334

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2013

9. Debtors

	2013	2012
	£	£
Trade debtors	56,480	157,311
Prepayments and accrued income	10,023	56,002
Other debtors	3,451	4,597
	<u>69,954</u>	<u>217,910</u>

10. Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	531	8,277
Amounts owed to parent company	550,565	712,706
Other creditors	-	5,483
Accruals and deferred income	302,140	516,600
	<u>853,236</u>	<u>1,243,066</u>

11. Called up share capital

	2013	2012
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
10 ordinary shares of £1 each	<u>10</u>	<u>10</u>

12. Movement on total reserves

	Share capital	Profit and loss account	Total shareholders surplus/ (deficit)
	£	£	£
At 1 August 2012	10	115,517	115,527
Profit on ordinary activities after taxation for the financial year		30,579	30,579
At 31 July 2013	<u>10</u>	<u>146,096</u>	<u>146,106</u>

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2013

13. Related party transactions

The Company has taken advantage of the exemption which is conferred by Financial Reporting Standard number 8 “Related Party Disclosures” that allows it not to disclose transactions with group undertakings whose voting rights are wholly controlled within the group.

14. Ultimate parent company

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

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

	PAPER NO: UE.36(13)
Board:	South Bank University Enterprises Ltd
Date:	5 November 2013
Paper title:	South Bank University Enterprises Ltd: Letter of Representation to the auditors Grant Thornton
Author:	Rebecca Warren
Recommendation:	The Board is requested to approve the Letter of Representation.

This letter is to be approved, but not signed, at the Board meeting on 5 November. It needs to be signed on 21 November, the same day that the accounts are signed.

~~{**Prepare on client letterhead**}~~

Our Ref DB/ALT

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

~~{date of signing the financial statements}~~

21 November 2013

Dear Sirs

**South Bank University Enterprises Limited
Financial Statements for the Year Ended 31 July 2013**

This representation letter is provided in connection with the audit of the financial statements of South Bank University Enterprises Limited for the year ended 31 July 2013 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 17 November 2011, for the preparation of the financial statements in accordance with UK Generally Accepted Accounting Practice; in particular the financial statements give a true and fair view in accordance therewith.
- ii We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- iii Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- iv Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.
- v All events subsequent to the date of the financial statements and for which UK Generally Accepted Accounting Practice require adjustment or disclosure have been adjusted or disclosed.
- vi We have not adjusted the misstatements brought to our attention on the audit differences and adjustments summary, included in the Audit Findings document, as they are immaterial to the results of the company and financial position at the year-end. The financial statements are free of material misstatements, including omissions.

- vii Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.

Information Provided

- viii We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- ix All transactions have been recorded in the accounting records and are reflected in the financial statements.
- x We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xi We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xii We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- xiii We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xiv We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- xv We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Yours faithfully

[Mr James Smith](#)
[Chairman and Director](#)

	PAPER NO: UE.37(13)	
Board:	Board of Directors	
Date:	5 November 2013	
Paper title:	Review of Schedule of Matters Reserved to the Board	
Author:	Michael Broadway, Governance Officer	
Recommendation:	That the Board approves the amendments to the Schedule of Matters Reserved to the Board	
Matter previously considered by:	SBUEL Board	On: Annually
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?		

Executive Summary

The current Schedule of Matters Reserved to the Board was approved as part of the governance changes and re-launch of South Bank University Enterprises Ltd (SBUEL) as the commercial subsidiary of London South Bank University (LSBU) operating on an arm's length basis.

The Schedule has been updated following discussions by the Board during the year. Following this two substantive changes are recommended to the Schedule:

1. Recommendation and approval of adjustments to salaries and bonus level
2. Approval levels of commercial sales

The Board is requested to approve these amendments.

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

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

Sole Member (London South Bank University)

	Matter	Reference
1.	Power to direct and restrict activities of SBUEL if it sees fit	Art 6.3.3
2.	Appointment of chairman of the SBUEL board	Art. 15.1
3.	Termination of directors' appointment	Art 30.2
4.	Amendments to the composition of the SBUEL Board	
5.	Amendment of SBUEL's articles of association	s.21 CA ¹ 2006
6.	Change of company name	Art. 4
7.	Shares: <ul style="list-style-type: none"> • Approval of the issue of unissued shares • Authority to grant the Board power to allot shares 	Art. 6.3.2 Art. 37
8.	Winding up SBUEL	s.84(1)(b) IA ² 1986
9.	Approval of contracts: <ul style="list-style-type: none"> • Budgeted expenditure above £2m • Not in the ordinary course of business or unbudgeted expenditure above £0.5m 	University Matters Reserved 5.2 & 5.3 and University Financial Regulations 9.6
10.	Exceptions to Financial Regulations that apply to SBUEL	University Financial Regulations
11.	Approval of all borrowing by SBUEL	Resolution of the board

¹ Companies Act 2006

² Insolvency Act 1986

Board of Directors

	Matter	Reference
12.	Approval of company strategy	
13.	Approval of company budgets, business plans and annual reports	
14.	Approval of SBUEL Financial Regulations where excepted from University Financial Regulations: <ul style="list-style-type: none"> • Procurement regulations • Levels of delegated financial authority 	
15.	Recruitment, employment and HR regulations	
16.	Approval of adjustments to spot salaries	
17.	Approval of staff bonuses including the award of spot bonus above £1,000	
18. 16.	Working capital Policy	
19. 7.	External Audit processes	
20. 18.	Contracting for service or product delivery Approval of commercial sales in SBUEL above £1m ³	
21. 19.	Propose surplus distribution policy / Gift Aid Policy	
22. 20.	Establishing a system of internal control and risk management	
24. 2.	Approval of contracts: <ul style="list-style-type: none"> • Budgeted expenditure above £100,000 and below £2m • Not in the ordinary course of business or unbudgeted expenditure up to £0.5m 	

³ The PVC (External) or Executive Director of Finance (both directors of SBUEL) are authorised to approve commercial sales between £50k and £500k. Together they are authorised to approve commercial sales between £500k and £1m.

Chief Executive

	Matter	Reference
<u>22</u> 23 .	Proposing strategic proposals and budgets	
23 <u>24</u> .	Executing the strategy agreed by the Board of Directors	
24 <u>25</u> .	Signing of contracts (within authority)	
25 <u>26</u> .	Staff recruitment and remuneration	
<u>27</u> .	<u>Recommending adjustments to spot salaries to the Board</u>	
<u>28</u> .	<u>Recommending bonus levels to the Board</u>	
<u>29</u> .	<u>Award of spot bonus under £1,000 (in consultation with an Executive Director)</u>	
<u>30</u> .	<u>Approval of commercial sales in SBUEL up to £500k</u>	

	PAPER NO: UE.38(13)	
Board:	Board of Directors	
Date:	5 November 2013	
Paper title:	Declarations of Interest	
Author:	Michael Broadway, Governance Officer	
Recommendation:	That the Board authorise the declared interests of its members.	
Matter previously considered by:	N/A	N/A
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A	

Executive summary

1. 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, unless this has previously been authorised by the Board.
2. The Board are requested to review and, where appropriate, authorise interests declared in the attached register. Please note that interests will need to be approved by unconflicted members of the Board.
3. When authorizing interests, unconflicted governors will need to consider whether to attach any conditions to the authorisation.
4. Directors will continue to have a duty to inform the University Secretary if their interests change throughout the year.
5. Directors will also continue to have a duty to declare any conflicts of interest with items on the agenda at each meeting.

Additional Interests to be Authorised

6. The Board is requested to authorise the following additional interests:
 - a. James Smith declared that he is Chair of the Advisory Board of the Museum of Science and Industry;
 - b. Richard Flatman declared that he is a governor of the newly created University of South Wales (the successor body to University of Wales, Newport); and
 - c. Bev Jullien declared that she is the Chair of Lambeth College of Further Education.

Recommendation

7. The Board is requested to note the updated register of interests and authorise the declared situational conflicts of its members.

South Bank University Enterprises Ltd

Register of Interests 2012/13

James Smith CBE					
Organisation with which connected	Sector	Relationship with organisation	As of date	Notes	Date authorised by Board
Conservatoire for Dance and Drama	Higher Education Institution	Chair of Board of Governors	2011		9/11/2012
Carbon Trust	Provision of services to accelerate the move to a low carbon economy	Chair of the Board	2010		9/11/2012
Science Museum Group		Trustee	2011		9/11/2012
London South Bank University	HE	Independent Governor	2012		22/11/2012 (by member)
Grantham Institute		Chair of the advisory board			9/11/2012
Energy Institute		Former President			9/11/2012
EPSRC transition pathways		Chair of the advisory board			9/11/2012
Diversity Works for London		Chair of the advisory board			9/11/2012

Association for Black Engineers UK		Chair of the advisory board			9/11/2012
UCL Energy Institute		Member of the advisory board			9/11/2012
Liverpool School of Tropical Medicine		Vice president			9/11/2012
Museum of Science and Industry	Museum	Chair of advisory board	March 2013		
Julian Beer					
Organisation with which connected	Sector	Relationship with organisation	As of date	Notes	Date authorised by Board
Plymouth University	HE	Pro Vice Chancellor			26/03/2013
Tamar Science Park Ltd	Business park	Director	22/06/2006		26/03/2013
University of Plymouth Enterprise Ltd	University trading company	Director	14/02/2007		26/03/2013
The Centre of Leadership and Organisational Excellence Ltd		Director	07/03/2007	Non-trading company	26/03/2013
Plymouth Marine Sciences Partnership		Director	14/07/2009	Non-trading company	26/03/2013
IC03 Ltd	Software consultancy	Director	06/07/2012		26/03/2013
225 Degrees Ltd	Architectural & Engineering	Director	18/10/2012		26/03/2013
South West European Partnership		Director	18/10/2012		26/03/2013

Richard Flatman					
Organisation with which connected	Sector	Relationship with organisation	As of date	Notes	Date authorised by Board
London South Bank University	HE	Executive Director of Finance	2002		22/11/2012 (by member)
London Knowledge Innovation Centre	Incubator	Director	2007		9/11/2012
London Strategy Ltd	Dormant	Director	2002		9/11/2012
London Universities Purchasing Consortium	Purchasing	Director	2002		25/11/2010
University of Wales, Newport	HE	Governor	2005		25/11/2010
University of South Wales	HE	Governor	2012		
Beverley Jullien					
Organisation with which connected	Sector	Relationship with organisation	As of date	Notes	Date authorised by Board
Watford Palace Theatre	Theatre	Director	2006		9/11/2012
SBEG	NFP Employers' Group	Director	2010		9/11/2012

London South Bank University	HE	Pro Vice Chancellor (External)	2010		22/11/2012 (by member)
London Knowledge Innovation Centre	Incubator	Chair	2010		9/11/2012
Institute of Directors	Membership body	Member of Chartered Directors' Committee			9/11/2012
Lambeth College of Further Education	Further Education	Chairman	Aug 2013		9/11/2012

Tim Gebbels

Organisation with which connected	Sector	Relationship with organisation	As of date	Notes	Date authorised by Board
London Knowledge Innovation Centre	Incubator	Director	June 2012		9/11/2012
London South Bank University	Higher Education	Director of Enterprise	Jan 2012		22/11/2012 (by member)
Tim Gebbels Ltd	Dormant	Director and sole member	Oct 2011		26/03/2013

	PAPER NO: UE.39(13)
Board:	South Bank University Enterprises Ltd
Date:	5 November 2013
Paper title:	University Enterprise – Risk Register
Author:	Tim Gebbels
Purpose of the Paper:	To present the Risk Register and associated actions for University Enterprise
Outcome of Paper:	Information <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Decision <input type="checkbox"/> (Please check as appropriate)
Recommendation:	The Board is requested to note the University Enterprise Risk Register and comments on the completeness of the risks recognised, their weightings and the mitigating actions proposed.

1. Summary

Annex 1 presents the risk register for University Enterprise and Annex 2 presents the associated actions planned. These risks cover the whole of University Enterprise activity and are not limited to the business of SBUEL.

The Board are asked to consider the risks presented and the proposed mitigating actions.

The risk register of University Enterprise is subject to formal management oversight at the departmental quarterly review meetings. In addition, the risk register is reported to the Board of Directors of SBUEL at each Board meeting.

2. Recommendations

That the Board:

- Notes the University Enterprise Risk Register and the associated Action Plan and comments on the completeness of the risks recognised, their weightings and the mitigating actions proposed.

Risk Register

Date	01/11/2013
Risk Status	Open
Risk Area	Support
Sub Risk Area	University Enterprise

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
323	UE3 Lack of priority for Enterprise from faculty and academic staff Risk Owner: Tim Gebbels Last Updated: 01/11/2013	Cause & Effect: Cause: Enterprise not recognised as a corporate priority versus Teaching or Research. Effect: Poor support for Enterprise activity from Faculty and department management and from individual academics. Inability of the University to deliver major new commercial projects if and when they can be found.	2 2 Medium		Medium	Ensure priorities are established that do not create perverse incentives between faculties and University Enterprise but instead encourage them to co-operate. Person Responsible: Tim Gebbels To be implemented by: 31/12/2013 <hr/> Ensure that Enterprise becomes a central component of the criteria used to recruit and promote University staff, whether academics, support staff or senior managers Person Responsible: Tim Gebbels To be implemented by: 31/07/2014

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
324	UE4 Poor project management or delivery Risk Owner: Tim Gebbels Last Updated: 17/09/2013	<p>Cause & Effect:</p> <p>Cause: Inadequate project management controls for Enterprise activity. Inadequate understanding of customer requirements or deadlines. Poor resource and staff time planning.</p> <p>Effects: Reduced income (client unwilling to pay) or cost over-runs. Inability to grow Enterprise activity as planned. Damaged reputation of the University.</p>	2 2 Medium		Medium	<p>University Enterprise to take ownership of the commercial client relationship (where appropriate) and to improve client communications throughout project lifecycle to ensure sound understanding of client need and appropriate quality control of final deliverables.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/12/2013</p> <hr/> <p>Devise and implement formal project management to effectively manage project phasing, milestones, deliverables, resource and budget scheduling, client reporting and billing.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/12/2013</p>

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
325	UE5 Insufficient team capacity or capability	<p>Cause & Effect:</p> <p>Cause: Step change in corporate ambition requires step change in performance of University Enterprise team performance.</p> <p>Successive change processes or other de-motivators may result in staff turnover.</p> <p>Change in team focus and priorities may result in new skills needs not met by existing staff.</p> <p>Effect: High staff turnover resulting in loss of existing skills. Inability of team to meet growth targets.</p>	2 2 Medium		Medium	<p>Keep team under review to maintain staff numbers and skill profile to meet business need</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2013</p> <hr/> <p>Develop and implement a programme of organisational development both for the whole team and for the management team to foster team cohesion.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2014</p>

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
360	UE6 Crisis causes disruption to University Enterprise business Risk Owner: Tim Gebbels Last Updated: 01/11/2013	<p>Cause & Effect:</p> <p>Cause: Unexpected crisis disrupts business critical element of University Enterprise activity</p> <p>Effect: Projects and other ongoing commercial activity fail to meet customer expectations Key records and/or documents lost, disrupting client relationships, contract management or other essential processes.</p>	2 1 Low		Low	

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
361	UE7 Action of Spin-out or Spin-in company adversely affect University Enterprise Risk Owner: Tim Gebbels Last Updated: 21/06/2013	Cause & Effect: Cause: Uncontrolled and unmanaged activity of spin-out or spin-in company has an adverse impact on SBUEL or LSBU e.g. through legal or financial liabilities, reputational damage Effect: Losses in related businesses may need to be consolidated into SBUEL and LSBU accounts, impairing performance Damaged reputation in the market place may impact our ability to secure commercial business or even to recruit students	2 1 Low		Low	Develop a simple framework for assessing the risk associated with associated companies. Populate the framework for all such companies. Monitor risks on a regular basis (quarterly) Person Responsible: Tim Gebbels To be implemented by: 31/07/2013
365	UE8 Enterprise Centre performs poorly at launch Risk Owner: Tim Gebbels Last Updated: 01/11/2013	Cause & Effect: Cause: Poor operational planning for the launch and subsequent running of the Enterprise Centre post completion Effect: Enterprise Centre seen as a failure Reputational damage to the University	2 1 Low		Low	Establish a programme of events to engage the business community, particularly SMEs in SE1. Person Responsible: Tim Gebbels To be implemented by: 31/12/2013

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
366	UE9 Letting of Technopark accomodation under performs	<p>Cause & Effect:</p> <p>Cause: Poor management of the Technopark tenants and of the ongoing lettings business</p> <p>Effect: Loss of tenants leading to erosion of income Reputational damage leading to reduced ability to recruit and retail tenants</p>	2 2 Medium		Medium	<p>Identify new tenants and retain existing tenants to build occupancy levels across both Technopark and Clarence Centre to achieve 85% occupancy in 3 years.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 30/09/2016</p>
	<p>Risk Owner: Tim Gebbels</p> <p>Last Updated: 01/11/2013</p>					
367	UE10 Inadequate communication of Enterprise plans	<p>Cause & Effect:</p> <p>Cause: Inadequate communications, primarily with Faculties, over the targets and plans of University Enterprise and the support needed to deliver them.</p> <p>Effect: Low recognition of the value and importane of Enterprise Lack of buy in from Faculties to Enterprise activity Low take-up of enterprise initiatives Poor income generation results</p>	2 2 Medium		Medium	<p>University Enterprise to be actively involved the the development of Faculty plans, income targets and budgets for Enterprise activity in the 14/15 planning cycle and in future.</p> <p>Person Responsible: Tim Gebbels To be implemented by: 31/07/2014</p>
	<p>Risk Owner: Tim Gebbels</p> <p>Last Updated: 01/11/2013</p>					

University Enterprise

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
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Provide regular updates to the Board of Governors, University Executive and SMG.
Continue to promote University Enterprise at University committees (e.g. Research committee) and at Faculty Departmental meetings
Make use of internal comms channels to promote Enterprise messages
Deliver events like the VC's Enterprising Staff Awards to enhance the profile of enterprising staff.
Person Responsible: Tim Gebbels
To be implemented by: 31/07/2014

Action Plan

Date

01/11/2013

Risk Status

Open

Risk Area

Support

Sub Risk Area

University Enterprise

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
323	UE3 Lack of priority for Enterprise from faculty and academic staff	Medium	Ensure priorities are established that do not create perverse incentives between faculties and University Enterprise but instead encourage them to co-operate.	Tim Gebbels	£0.00	No	31/12/2013	
			Continue to communicate the Enterprise strategy across the whole University to ensure the priority of Enterprise activity is recognised	Tim Gebbels	£0.00	No	31/07/2013	
			Ensure that Enterprise becomes a central component of the criteria used to recruit and promote University staff, whether academics, support staff or senior managers	Tim Gebbels	£0.00	No	31/07/2014	
324	UE4 Poor project management or delivery	Medium	University Enterprise to take ownership of the commercial client relationship (where appropriate) and to improve client communications throughout project lifecycle to ensure sound understanding of client need and appropriate quality control of final deliverables.	Tim Gebbels	£0.00	No	31/12/2013	
			Devise and implement formal project management to effectively manage project phasing, milestones, deliverables, resource and budget scheduling, client reporting and billing.	Tim Gebbels	£0.00	No	31/12/2013	

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
325	UE5 Insufficient team capacity or capability	Medium	Keep team under review to maintain staff numbers and skill profile to meet business need	Tim Gebbels	£0.00	No	31/07/2013	Staff turnover and maternity leave have resulted in some vacancies and are likely to continue to do so. Loss of skills through staff departures, coupled with changing priorities may lead to skills gaps
			Develop and implement a programme of organisational development both for the whole team and for the management team to foster team cohesion.	Tim Gebbels	£0.00	No	31/07/2014	To be developed and implemented with support from LSBU OD team.
			Undertake a review of the team structure and the purpose of each job (within the defined establishment envelope). Move to the new structure as soon as possible.	Tim Gebbels	£0.00	No	31/07/2013	
360	UE6 Crisis causes disruption to University Enterprise business	Low	Under the University's Business Continuity Planning Framework, develop a business continuity plan for University Enterprise	Tim Gebbels	£0.00	No	31/12/2013	
361	UE7 Action of Spin-out or Spin-in company adversely affect University Enterprise	Low	Develop a simple framework for assessing the risk associated with associated companies. Populate the framework for all such companies. Monitor risks on a regular basis (quarterly)	Tim Gebbels	£0.00	No	31/07/2013	
365	UE8 Enterprise Centre performs poorly at launch	Low	Procure a consultant or interim to develop a detailed business model and operational plan for the running of the Enterprise centre	Tim Gebbels	£50,000.00	Yes	30/09/2013	

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
366	UE9 Letting of Technopark accomodation under performs	Low	Establish a programme of events to engage the business community, particularly SMEs in SE1.	Tim Gebbels	£0.00	No	31/12/2013	
		Medium	Identify new tenants and retain existing tenants to build occupancy levels across both Technopark and Clarence Centre to achieve 85% occupancy in 3 years.	Tim Gebbels	£0.00	No	30/09/2016	
			Include Technopark into the business model and operational plan for he Enterprise Centre so that, when the Enterprise Centre goes live, both it and Technopark form a coherent enterprise "ecosystem" which is greater than the sum of its parts.	Tim Gebbels	£0.00	No	30/09/2013	
367	UE10 Inadequate communication of Enterprise plans		Through transfer of staff from previous managment company maintain continuity and quality of tenant management services.	Tim Gebbels	£0.00	No	31/07/2013	
		Medium	Provide regular updates to the Board of Governors, University Executive and SMG. Continue to promote University Enterprise at University committees (e.g. Research committee) and at Faculty Departmebntal meetings Make use of internal comms channels to promote Enterprise messages Deliver events like the VC's Enterprising Staff Awards to enhance the profile of enterprising staff.	Tim Gebbels	£0.00	No	31/07/2014	

University Enterprise

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	Action Cost	Budget Available	To be implemented by	Comments
		Medium	University Enterprise to be actively involved the the development of Faculty plans, income targets and budgets for Enterprise activity in the 14/15 planning cycle and in future.	Tim Gebbels	£0.00	No	31/07/2014	