

Minutes of a Meeting of the Board of Directors
of South Bank University Enterprises Ltd
held at 2.30pm on Friday 9 November 2012
in Room 1B16, Technopark, London Road, London SE1

Present

James Smith Chairman
Richard Flatman
Tim Gebbels CEO
Beverley Jullien

In attendance

James Stevenson Company Secretary
Rebecca Warren Accountant for South Bank University Enterprises Ltd.
Stephen Wells Director of Estates and Facilities (*for minutes 17-20*)
Michael Broadway Governance Officer

Welcome and apologies

1. No apologies had been received.

Annual Declarations of Interest

2. The Board noted the declared interests of the directors in the register of directors' interests. (paper **UE.39(12)**).
3. The Board authorised the declared interests in the register, with the following specific discussions.
4. The Board discussed the directors' relationships with London South Bank University (the parent company) and noted that as all directors were conflicted, the parent company would be asked to authorise these conflicts.
5. The position of three directors as directors of the London Knowledge Innovation Centre was authorised by the unconflicted director under Article 14.3.

James Smith left the meeting. Richard Flatman took the Chair.

6. The Board noted that James Smith had declared an interest as Chairman of the Carbon Trust and that it was possible that the Carbon Trust may be in competition with SBUEL in the future. The Board considered that the frequency of actual

conflicts arising was low. The Board agreed that this was an acceptable and manageable risk. The Board authorised the situation on the basis that James Smith would immediately declare to the Board if he became aware of an actual or potentially competitive bid for work by the Carbon Trust. The Board requested the CEO to notify the Board if he becomes aware of any potential conflict.

James Smith returned to the meeting.

7. The Board explained to James Smith the conditions attached to the authorisation of his interest as Chairman of the Carbon Trust.

James Smith took the Chair.

Interests in matters on the agenda

8. All directors declared an interest in the item on the statutory accounts and the decision regarding the level of payments to gift aid to the University. It was agreed that the Board would recommend the level of gift aid based on the future business needs of the company and that the parent company would be asked to ratify the decision.

Minutes of the last meeting

9. The Board approved the minutes of the meeting of 14 September 2012.

Matters Arising

10. The Board noted that Solion had accepted the company's repayment schedule and that the company was on track to recover the outstanding loan.

CEO's Business Update

11. The Board noted an update from the CEO, covering the ACCA course; the relaunch of the Knowledge Transfer Partnerships programme; the commercial enterprise pipeline; and engagement with student enterprise. The Board queried the desirability of starting a project in Bahrain, which should be approved as appropriate within the University. The Chairman thanked the CEO for his report.

Management Accounts

12. The Board noted the company's management accounts to 31 October 2012 (paper **UE.40(12)**), showing a profit of £145,000. University enterprise management accounts were being developed with the LSBU finance team.

Recruitment of Non-Executive Directors

13. The Board discussed the proposed candidates for the non-executive director vacancies on the Board (**UE.41(12)**). The Board approved the proposed skills matrix, subject to clarifying the scope of "B2B" for SBUEL.
14. After due consideration of the skills matrix and the skills required on the Board, it was agreed that Julian Beer should be approached to discuss the role with the Chairman and CEO.
15. For the remaining vacancy, the Board requested the long list to be revised with the inclusion of Val Lowman, Marjorie Scardino and Ruby McGregor-Smith for consideration.
16. The Board noted the proposal to establish an advisory Enterprise Panel within the University.

Lettings Business

Stephen Wells entered the meeting

17. The Board discussed an update on the lettings business (paper **UE.42(12)**). It was noted that commercial lettings were a significant part of the company's income and managed through Estates and Facilities.
18. The Board approved the recommendation for LSBU to grant an overriding lease to SBUEL for all tenanted accommodation.
19. The Board ratified the agreement dated 1 November 2012 between SBUEL and Business Extra to vary the Shareholder's agreement dated 10 November 2005 relating to London Knowledge Innovation Centre (LKIC). SBUEL would then take over the leases with LKIC's existing tenants. The transfer of one employee from LKIC to SBUEL under TUPE was noted. The CEO was requested to update the Board on the proposed management arrangements of these tenants.

20. The Board approved the proposed approach for contracting out the management of commercial lettings, including those in Technopark and the new Enterprise Centre. Detailed plans will be brought back to the Board for further approval.

Stephen Wells left the meeting

Group Policies

21. The Board noted the list of University policies (paper **UE.43(12)**) and requested that the policies relating to SBUEL are circulated to the Board for approval. The Board also requested that the University policies on anti-fraud; bribery; speak up; and risk management are circulated to the Board for approval.
22. The Board approved the amended Travel Policy.

Intellectual Property and Spin Out Company matters

23. The Board noted an update on intellectual property and spin out company matters (paper **UE.44(12)**).
24. It was reported that a review of how intellectual property was managed in the University was being undertaken and that the Board would be updated of progress.
25. The Board discussed the class action which had been brought against FitFlop in the United States. Although SBUEL or the University are not parties to the claim it was noted that research had been undertaken by SBUEL under contract to FitFlop Ltd. The University's external lawyers had been instructed to advise on the depositions requested by the parties to the litigation.
26. It was noted that the limited liability clauses in SBUEL's contracts with FitFlop would be reviewed.

Key Issues Memorandum

27. The Board noted the key issues memorandum (paper **UE.45(12)**), issued by Grant Thornton, the University's external auditors and which reports significant issues arising from the audit of the University's and SBUEL's accounts. It was noted that the key issues memorandum had been discussed in detail at the University's audit committee. There were no material issues to report relating to SBUEL.

Letter of Representation

28. The Board approved the letter of representation (paper **UE.46(12)**) and authorised the Chairman to sign on its behalf at the same time as the accounts were signed.

Statutory Accounts to 31 July 2012

29. The Board noted the statutory accounts to 31 July 2012 (paper **UE.47(12)**). After due consideration the Board recommended the Gift Aid payment as set out in the accounts to the University. The Board noted that this is subject to ratification by University (as the parent company) as each director is conflicted (see minute 8 above).

30. The Board approved the accounts subject to the ratification by the parent company and authorised any director to sign on its behalf at the University Board meeting of 22 November 2012.

Secretary's note: The gift aid payment was ratified by the University on 22 November 2012 and the accounts signed on the same day.

Risk Register

31. The Board noted the update risk register (paper **UE.48(12)**). It was noted that the risk register would be reviewed following the class action against FitFlop.

Enterprise Week

32. The Board noted that the week commencing 12 November 2012 was Enterprise Week at the University and requested to receive details.

Date of next meeting

33. The date of the next meeting was noted as Tuesday 26 March 2013 at 3.00pm.

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

Approved as a true record:

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Chairman