

South Bank University Enterprises Ltd Board Meeting

3.00 - 5.00 pm on Tuesday, 10 October 2017
in DCG-07 - Clarence Centre for Enterprise and Innovation

Agenda

| No. | Time | Item | Pages | Presenter |
|-------------------------|------|---|-----------|-----------|
| 1. | | Welcome and apologies | | PI |
| 2. | | Declarations of interest <i>Members are requested to declare any interest in any item on the agenda.</i> | | PI |
| 3. | | Minutes of the previous meeting | 3 - 6 | PI |
| 4. | | Matters arising | 7 - 8 | PI |
| Items to discuss | | | | |
| 5. | | CEO Report | 9 - 18 | GJ |
| 6. | | Bahrain JV | 19 - 88 | PI |
| 7. | | Employment Agency | 89 - 126 | PI, KC |
| 8. | | Draft Financial Statements 2016-17 | 127 - 142 | RW |
| 9. | | Budget 2017-18 | 143 - 146 | RS |
| 10. | | SBUEL Change Proposal | 147 - 156 | GJ |
| Items to note | | | | |
| 11. | | Debtors Report | 157 - 162 | RW |
| 12. | | Risk Register | 163 - 172 | GJ |
| 13. | | IP Framework | 173 - 196 | GJ |
| 14. | | Annual Declaration of Interest statements | 197 - 202 | JK |
| 15. | | Annual Board work plan | 203 - 208 | MB |
| 16. | | Any other business | | PI |

Date of next meeting
3.00 pm on Tuesday, 7 November 2017
Page 1

| <i>No.</i> | <i>Time</i> | <i>Item</i> | <i>Pages</i> | <i>Exec Lead</i> |
|------------|-------------|-------------|--------------|------------------|
|------------|-------------|-------------|--------------|------------------|

Members: Paul Ivey (Chair), Michael Cutbill, Mandy Eddolls, Richard Flatman and Gurpreet Jagpal

In attendance Michael Broadway, Joe Kelly and Sally Black

Apologies

**Minutes of the meeting of the South Bank University Enterprises Ltd Board
held at 3.00 pm on Tuesday, 4 July 2017
DCG-07 - Clarence Centre for Enterprise and Innovation**

Present

Paul Ivey (Chair)
Michael Cutbill
Richard Flatman
Gurpreet Jagpal

Apologies

Hilary McCallion
Michael Broadway

In attendance

Joe Kelly
Rebecca Warren
Sally Black

1. Welcome and apologies

No apologies were received.

2. Declarations of interest

No member declared a conflict of interest in any item on the agenda.

3. Minutes of the previous meeting

The Board approved the minutes of the meeting held on 7 March 2017.

4. Matters arising

Minute 5 – CEO report: work continues on separating SBUEL data from Schools data and should be completed before the next meeting. Actual figures can be separated, but it may not be possible to separately identify pipeline information.

Minute 8 – company risk register: in future, only SBUEL risks will be reported.

Minute 9 – shareholdings review: additional background information will be presented at the next meeting.

Minute 9 – shareholdings review: review of relationships with LSBU to be presented to Board at next meeting.

Minute 10 – Employment Agency: report clarifying nature of nature and level of oversight by SBUEL Board

5. **SBUEL +**

The Board discussed the SBUEL+ and Bahrain JV development paper.

The Board noted clarification on the Scheme of Delegation and the respective roles of the LSBU Board and SBUEL Board. The Board noted that changing the name of the company and the composition of the Board are within the powers of the LSBU Board.

The Board noted the need to further clarify the nature and level of its oversight role in relation to business activity areas, including the employment agency, Bahrain JV, and any others.

6. **Bahrain joint venture**

The Board agreed, in principle, to pursue the Bahrain JV subject to clarification on its nature, rationale, and operational mechanisms, which are to be presented at its next meeting.

7. **CEO Report**

The Board discussed the CEO report.

The board noted that tenancies are at capacity and additional spaces are being sought. The estates development process poses potential risk to tenancy income and will need to be managed carefully.

The Board noted that quarterly meetings with Schools, Deans, Directors of Research and Enterprise, SBUEL staff, and others, have been established to drive income generating activity.

8. **Budget 2017-18**

The SBUEL budget 2017-18 was not presented to the meeting as the LSBU budget 2017-18 had not yet been finalised. The budget would be circulated to directors for approval when finalised.

9. **Management accounts**

The Board discussed the management accounts (May 2017). The Board noted that a surplus of £32k is forecast for year end.

10. **Debtors' Report**

The Board discussed the debtors report. The Board noted that larger debtors have been flagged with LSBU credit control. LSBU is making progress in strengthening its debt recovery activities.

11. **Shareholder reports: BIOX and About Time Design**

The Board discussed the issue of disinvestment of shareholdings and requested additional information on key companies in order to inform a decision.

12. **Company risk register**

The Board discussed the risk register. The Board noted that, for future meetings, the risk register would only contain information on risks relating to SBUEL.

13. **Any other business**

Date of next meeting
3.00 pm, on Tuesday, 10 October 2017

Confirmed as a true record

..... (Chair)

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**SOUTH BANK UNIVERSITY ENTERPRISES LTD BOARD - TUESDAY, 4 JULY 2017
ACTION SHEET**

| Agenda No | Agenda/Decision Item | Action | Date Due | Officer | Action Status |
|------------------|-----------------------------|---|-----------------|---|---|
| 5. | SBUEL + | Report clarifying nature and level of oversight by SBUEL Board of activities, e.g. Elephant Employment / Keystone, etc. Invite Shan and Kirsteen to make presentation at next Board meeting re employment agency Bring CPD business proposal to Exec for approval | | Paul Ivey Paul Ivey Paul Ivey | Completed On agenda To do |
| 6. | Bahrain joint venture | Bahrain JV - clarification of nature, rationale, and operational mechanisms to next meeting | | Paul Ivey | On agenda |
| 7. | CEO Report | In future, finance reports to only report SBUEL figures | | Gurpreet Jagpal | To do |
| 8. | Budget 2017-18 | Circulate SBUEL 2017/18 budget for approval | | Gurpreet Jagpal | To do |

| Agenda No | Agenda/Decision Item | Action | Date Due | Officer | Action Status |
|------------------|---|--|-----------------|---|-------------------------------|
| 11. | Shareholder reports: BIOX and About Time Design | <p>Additional background information on key companies will be presented at the next meeting, including BIOX and About Time Design</p> <p>Review of relationships with LSBU to be presented at next meeting, i.e. IP transfers, commercialisation, investments, inter-group transfer of staff</p> | | <p>Gurpreet Jagpal</p> <p>Paul Ivey</p> | <p>To do</p> <p>On agenda</p> |
| 12. | Company risk register | In future, only SBUEL risks to be reported | | Gurpreet Jagpal | To do |

Agenda Item 5

| | |
|----------------|--|
| | CONFIDENTIAL |
| Board: | SBUEL Board |
| Date: | 10 th October 2017 |
| Paper title: | CEO Update Paper |
| Author: | Gurpreet Jagpal Director Research, Enterprise and Innovation, and CEO South Bank University Enterprises Ltd. |
| Purpose | |
| Recommendation | For information only – provide an update on SBUEL and Enterprise Activity. |

1. Financial Summary

1.1. Combined enterprise Income Analysis for 2016/17 YTD to end July 2017

| | | |
|------------------------|--------------------------------|-----------------|
| | University (as a whole) | SBUEL |
| YTD budget | £9,939,581 | £2,539,774 |
| YTD income | £9,167, 489 | £2,515,107 |
| Difference at year end | -£772,072 | -£24,667 |

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

| School | Full year £ budget (a) | YTD actuals £ (b) | Difference at year end |
|--------------------|------------------------|-------------------|------------------------|
| ACI | £0 | £75,285 | +£75,285 |
| ASC | £0 | £162,054 | +£162,054 |
| BEA | £10,000 | £36,045 | +£26,045 |
| BUS | £0 | £0 | £0 |
| CON | £0 | £0 | £0 |
| ENG | £0 | £25,165 | +£25,165 |
| HSC | £76,604 | £274,661 | +£198,057 |
| LSS | £0 | £20,668 | +£20,668 |
| ENTR | £2,445,470 | £1,905,577 | -£539,893 |
| Unallocated | £1,200 | £1,598 | +£398 |
| Library | £0 | £0 | £0 |
| Marketing | £1,000 | £8,460 | +£7,460 |
| Inter'nl | £0 | £0 | £0 |
| Residences | £0 | £0 | £0 |
| AOS | £0 | £0 | £0 |
| STSU | £5,500 | £5,595 | +£95 |
| Development | £0 | £0 | £0 |
| Grand Total | £2,539,774 | £2,515,107 | -£24,667 |

2. Overview of Enterprise Performance

Table 2: Sales Pipeline as at end July 2017 (combined SBUEL and LSBU income)

| School | Number | Value | | Likely value achieved | | | |
|--------------|-----------|-------------------|-------------|-----------------------|-------------|-------------------|-------------|
| | | | | End July 2016/17 | | End July 2015/16 | |
| | | £ | Share % | £ | Share % | £ | Share % |
| ACI | 5 | £168,460 | 3% | £20,864 | 2% | £27,203 | 1% |
| APS | 5 | £1,303,300 | 25% | £427,660 | 47% | £95,388 | 4% |
| BEA | 7 | £509,900 | 10% | £178,934 | 20% | £146,225 | 6% |
| BUS | 5 | £873,422 | 17% | £9,229 | 1% | £27,855 | 1% |
| ENG | 17 | £1,489,400 | 29% | £98,866 | 11% | £135,905 | 6% |
| HSC | 8 | £612,084 | 12% | £135,155 | 15% | £226,131 | 10% |
| LSS | 2 | £48,000 | 1% | £10,000 | 1% | £50,578 | 2% |
| Other | 11 | £201,232 | 4% | £21,243 | 2% | £1,651,098 | 70% |
| Total | 60 | £5,205,977 | 100% | £901,950 | 100% | £2,360,383 | 100% |

Table 3: Analysis of new sales via REI as at end July 2017 (combined SBUEL and LSBU income)

| School | YTD 2016/17 | | | | | | YTD 2015/16 |
|--------------|-------------|-------------------|-------------|--------------------|------------|------------|-------------------|
| | Closed won | | Closed lost | | Conversion | | Closed won |
| | Volume | Value £ | Volume | Value £ | Volume | Value | Value |
| ACI | 17 | £98,761 | 5 | £280,000 | 77% | 26% | £30,657 |
| ASC | 5 | £105,077 | 72 | £1,481,884 | 6% | 7% | £320,893 |
| BEA | 7 | £246,740 | 11 | £926,881 | 39% | 21% | £777,071 |
| BUS | 5 | £212,500 | 7 | £282,500 | 42% | 43% | £0 |
| ENG | 11 | £478,907 | 29 | £6,351,803 | 29% | 28% | £266,959 |
| HSC | 24 | £2,197,724 | 45 | £5,232,629 | 35% | 35% | £942,476 |
| LSS | 5 | £171,789 | 15 | £2,940,522 | 25% | 25% | £15,604 |
| Other | 8 | £2,914,894 | 17 | £1,170,850 | 32% | 71% | £10,760 |
| Total | 82 | £6,425,392 | 201 | £18,667,069 | 29% | 26% | £2,364,419 |

3. Review by enterprise income generating department:

3.1. Health and Wellbeing Institute

- 3.1.1. HWI gave a presentation at the DigitalHealth London accelerator event to promote the Institute and EDRF funded Simulation for Digital Health (SimDH) project.
- 3.1.2. SimDH is currently supporting 20 health tech start-ups with their product testing and development, with aims to bring new products and services to market. A further 10 companies have expressed an interest and are in the pipeline to join the programme.
- 3.1.3. Our APS project with Westminster Drug Project has led to a proposal with Alcohol Diversion Scheme with the City of London (3 year project, £298k). Tony Moss is the lead academic on both.
- 3.1.4. Working with HSC (Alison Leary) we have won 3 data mining projects demonstrating the emerging importance of health analytics and data driven decision making.
- 3.1.5. Discussions are continuing on a potential workforce wellbeing project for Southwark Diocese with BUS (involving Karin Moser).

3.2. Sustainable Communities Institute

- 3.2.1. SCI facilitated an engagement meeting between the Enterprise Institutes and the RACs (research active colleagues who have research hours and actively contribute to the REF) in the School of BUS. The meeting was designed to generate interest from BUS in Enterprise activities and provide clear points of contact for exploring ideas and opportunities.
- 3.2.2. We have become an official partner for the following external events:
 - o Climathon: a global 24-hour climate change hackathon which will take place simultaneously in major cities around the world in October 2017. SCI will be nominating one of our academics from ENG to be on the judging panel.

- Making Places Last – Sustainable Home and Communities: an annual event, taking place in November, to investigate the merits of a new revolution to make ‘places that last’. We will be setting up a stand to promote the University’s services.
- 3.2.3. ERDF funded Access to Innovation project (A2i) has signed up 15 SMEs and started working with them on their individual projects. We are continuing to identify the next batch of targeted companies to approach. The last actual quarterly claim (Apr-June) was close to budget and the programme is now forecast to maintain this trend.
- 3.2.4. We supported two Innovate UK Energy Catalyst Round 5 bids with decisions due on both in October; along with a Heritage Action Zone bid with Southwark Council for the designation of Walworth Village as an area of historic interest (fulfilling the university’s civic engagement responsibilities).

3.3. Creative and Digital Economy Institute

- 3.3.1. CDEI is in discussion with the National Theatre regarding collaborative research and enterprise activity relating to Digital technology and theatre technologies.
- 3.3.2. CDEI continues to generate revenue from film location hire and rental of studio facilities, valued at £6,140 during the reporting period.
- 3.3.3. CDEI together with ACI have developed proposals for four CPD part-time modules including: The Art of Editing Visual Effects; Compositing Role of the Editor; and a weekend module in Green Screen practise.
- 3.3.4. CDEI has prepared contract proposals for LSBU engagement with a third party for original IPR in immersive live action technology.
- 3.3.5. With LSS we are in advanced planning for a conference on the “Legal Issues facing SMEs Post Brexit”. The conference is endorsed the Department of International Trade and supported by Ministry of Justice and Foreign and Commonwealth Office.
- 3.3.6. CDEI together with Division of computer Science prepared a bid for a joint application (11 HEIs) for the HEFCE call “the Institute of Coding”.

3.4. Global Challenges Institute

- 3.4.1. GCI has started to build an international multi-partner collaboration for an Interreg-funded project application (EFIC, ~£4M) aimed at supporting Agri-Food businesses to innovate across North West Europe. The activities related to this project include: discussion of the idea with the contact point in the UK, attendance to an Interreg information day and networking event in Cardiff, and starting multiple conversations with potential partners in France, the Netherlands, Belgium, Germany, Ireland and the UK.
- 3.4.2. We have been in discussion with funders and drafted the terms and conditions of a project (~£200k) led by Prof Kiros Karamanidis which aims to develop software to assess and register muscular issues.
- 3.4.3. Together with Dr Deborah Andrews, we have started to build an international project to apply for Interreg funds (~£3M). The project, led by LSBU, aims to promote the circular economy around electronic and computer pieces.
- 3.4.4. GCI supported Refugee Week which is a nationwide programme of cultural and educational events that celebrates the contribution of refugees to society and encourages a better understanding between communities. GCI contributed by

launching an event aimed at charities and other actors within the refugee sector. This included workshops by our academics and external partners (ie. Citizens UK), LSBU project showcase (PROMISE, Fresh Start, etc.) and various networking activities.

- 3.4.5. We have commenced conversation with multi-national partners for an Interreg-funded project on women entrepreneurship with Dr Safia Barikzai (~£4M).

3.5. Strategic Projects

- 3.5.1. Strategic Projects is continuing work leading the HEIF Connecting Capabilities submission with QMUL, UAL and KTN which will support creative and digital SMEs to exploit immersive technologies (~£4m).
- 3.5.2. Sound works incubator, Strategic Projects, LCC and Ministry of Sound are collaboratively applying for capital funding for the incubator and public space fit out of Ministry of Sounds' latest workspace project in Borough Road. The application includes ESF revenue funding to deliver an entrepreneurship programme for young local residents looking to start up enterprises in the sector (£3m).
- 3.5.3. Strategic Projects is supporting the submission of ERDF London Agri-Food Innovation Clinic (LAFIC) to increase the number of London's Agri-Food SMEs investing in research and development by offering an Innovation Support Programme that allows them to develop innovative products, processes and services (£1m). See GCI.
- 3.5.4. Strategic Projects is supporting the submission of Interreg NWE European Food Innovation Clinic (EFIC) to support innovation in Agri-Food SMEs (£TBC).

1.1. Knowledge Exchange Institute

- 1.1.1. KEI has been in contract negotiation and recruitment for the RICS KTP which is valued at £147K.
- 1.1.2. KEI has been renegotiating with Innovate UK and re-recruiting for the Redrose KTP which is valued at £145k.
- 1.1.3. We have been developing a feasibility study/pilot with FortisDay to evaluate the effectiveness of LED lighting (circadian rhythm) to enhance the well-being and productivity of office workers. It is valued at £10K + VAT.
- 1.1.4. KEI have met with RICS alongside BEA/ENG to discuss the potential to be a subcontractor in projects where RICS have already secured EU funding. Whilst full details of each project will be revealed at the meeting, the funding is around effective measurement of embodied carbon and CO2 in buildings. The value has yet to be determined.
- 1.1.5. Engagement with the MOD has been initiated in order to develop/better align CPD and Training courses for current service personal and leavers, including their family. The value of this is approximately £100k per annum.
- 1.1.6. KE Voucher scheme as at end of Q4 Completed: 5; Live: 7; Application received: 3; Looking for industry partners: 6; Company Rejected: 2; other: 2.

Table 4: Overview of key KTP projects (non-SBU EL income) in development to 31 July 2017

| Proposal rating % | Date started | Department | Project title | Client | Value | Enterprise Manager | Lead Academic |
|-------------------|--------------|--------------------------------------|---|--------------------------------------|----------|--------------------|---------------------------|
| 10 | 29/01/2016 | ACI - Creative Technologies | KE030_Footprint Scenery_Design and build a fully VR integrated portable Blackbox_KTP_21032016 | Footprint Scenery Ltd | £140,000 | Baljinder Ghoman | Maria Chatzichristodoulou |
| 10 | 30/03/2016 | BUS - Management, Marketing & People | KE044_Hanze University_Groningen Short Course Delivery_KTP_29032016 | Hanze University of Applied Sciences | £14,000 | Neil Pearce | Dag Bennett |
| 5 | 12/08/2016 | ENG - Computer Science & Informatics | KE032_Fundsurfer_AI Development for VC and Investment Readiness_KTP_21072016 | Fundsurfer | £72,870 | Ashutosh Choubey | Tasos Dagiuklas |
| 5 | 28/04/2014 | ENG - Computer Science & Informatics | KE001_Academy Class_VL Solutions_KTP_01092014 | Academy Class | £145,740 | Baljinder Ghoman | Alessio Corso |

1.2. Tenants

- 1.2.1. The 2,500sf of vacant space reported at the last meeting has been backfilled and occupancy rates have returned to 90% across all three sites.
- 1.2.2. The International Business Launchpad competition for tenants and graduate entrepreneurs to accompany a fact-finding mission to Ryerson University and their learning/business zones went live at the end of July.
- 1.2.3. There remains a risk of lost income with the redevelopment of the campus through the loss of Blackwell's and potential loss of the Technopark.
- 1.2.4. Demolition of Hugh Astor Court and Rotary Street has been completed.
- 1.2.5. A project to provide better statistics and more concise information on Tenant engagement with LSBU has begun and is due to be shared at the next meeting.

2. Entrepreneurship and Innovation Institute activities

- 2.1. A new cohort of 6 alumni businesses will be joining the Graduate Entrepreneur Scheme (GES) this month. The 2017/18 cohort will be based in the Clarence Centre and have access to a 12 month programme of support to validate their idea and grow their business.
- 2.2. Student Enterprise will be delivering a new programme of events for 2017/18 to engage students to develop their enterprise skills and think about starting their own business. Events are led by LSBU's Entrepreneurs in Residence
- 2.3. New curriculum activities will be delivered in SEM A with a focus on engaging students at Level 5 and 6 to support graduate employability and start-up
- 2.4. SME internships will be offered to LSBU graduates in January, as part of the Graduate Internship programme. SMEs will be recruited during October and November.
- 2.5. LSBU is now part of a network of HEIs engaged in the FFWD programme, which is a pre-accelerator that will create new opportunities for student and graduate start-ups to access support from London's accelerator network.

Appendix 1: Enterprise pipeline by School/Project - DONE

| School | Department | Project Name | Category | Project value | Likelihood % | Likely project value | Date Started |
|------------|---|---|------------------------|-------------------|--------------|----------------------|--------------|
| ACI | ACI - Film & Media | cdei-028tbigcleverlearning-film-training | Other IGA | £5,040 | 50 | £2,520 | 29/06/2017 |
| | ACI - Creative Technologies | CDEI_023_Cons_Sky Arts Isleworth London_GamePrototype | Consultancy | £17,800 | 15 | £2,670 | 22/05/2017 |
| | ACI - Creative Technologies | CDEI_014_SummerCourse_SoundStudioEngineering | Short Courses | £2,800 | 33 | £924 | 11/01/2017 |
| | ACI - Arts & Performance | CDEI_013_SummerCourse_IntroToVisualFX | Short Courses | £3,000 | 25 | £750 | 14/12/2016 |
| | ACI - Creative Technologies | KE030_Footprint Scenery_Design and build a fully VR integrated portable Blackbox_KTP_21032016 | Knowledge Exchange | £140,000 | 10 | £14,000 | 29/01/2016 |
| ACI | | 5 | | £168,640 | | £20,864 | |
| APS | APS - Psychology | H554_TBC IGA_TBC City of London_Alcohol Diversion Project | Other IGA | £120,000 | 5 | £6,000 | 28/07/2017 |
| | APS - Human Science | G034_AppRes_muscle lab_Kiros | Contract Research | £150,000 | 10 | £15,000 | 26/06/2017 |
| | APS - Food Sciences | G021_Interreg_EC_EFIC | Regeneration Programme | £500,000 | 5 | £25,000 | 26/06/2017 |
| | APS - Human Science | H432_AppRes_Actegy_Retvitive | Contract Research | £33,300 | 20 | £6,660 | 03/05/2017 |
| | APS - Food Sciences | G015_ERDF_LAFIC | Regeneration Programme | £500,000 | 75 | £375,000 | 02/02/2017 |
| APS | | 5 | | £1,303,300 | | £427,660 | |
| BEA | BEA - Civil & Building Services Engineering | SCi087_BEA_letting of facilities_TopHat_product testing | Letting Of Facilities | £5,900 | 100 | £5,900 | 21/07/2017 |
| | BEA - Civil & Building Services Engineering | SCi076_Thermafex Systems Ltd_Innovate UK_Energy Catalyst Rd 5 Funding | Contract Research | £42,785 | 10 | £4,278 | 22/06/2017 |
| | BEA - Civil & Building Services Engineering | SCi084_ICAX_Innovate UK_Energy Catalyst Rd 5 Funding | Contract Research | £96,857 | 10 | £9,686 | 30/05/2017 |
| | BEA - Civil & Building Services Engineering | KE106_WrightFlow | Knowledge Exchange | £10,000 | 5 | £500 | 04/05/2017 |
| | BEA - Civil & Building Services Engineering | KE080_Minibems_IUK_CORAL | Knowledge Exchange | £200,567 | 5 | £10,028 | 15/02/2017 |
| | BEA - Civil & Building Services Engineering | SCI_064_ICAX_EEF_SCI_064_ICAX_EEF_Home Energy For Tomorrow | Contract Research | £146,791 | 100 | £146,791 | 19/12/2016 |

| | | | | | | | |
|------------|---|--|------------------------|-----------------|-----|-----------------|------------|
| | BEA - Civil & Building Services Engineering | SCi029_ExFund_SME Instrument_Energy Transitions_Low Emissivity Transpired Solar Collectors | Contract Research | £7,000 | 25 | £1,750 | 25/02/2016 |
| BEA | | 7 | | £509,900 | | £178,934 | |
| BUS | BUS - Accounting & Finance | H449_Short Courses_FCO_Economics for Foreign Policy | Short Courses | £800,000 | 0 | £0 | 03/07/2017 |
| | BUS - Management, Marketing & People | SP_022 Developing Innovation Performance of SMEs across NWE (DIPSAN) | Regeneration Programme | £38,952 | 10 | £3,895 | 24/05/2017 |
| | BUS - Business & Enterprise | KE085_Crown Agents_Short Courses | Knowledge Exchange | £1,070 | 5 | £54 | 25/04/2017 |
| | BUS - Management, Marketing & People | KE044_Hanze University_Groningen Short Course Delivery_KTP_29032016 | Contract Research | £14,000 | 10 | £1,400 | 30/03/2016 |
| | BUS - Business & Enterprise | English for NHS Trainee Nurses | Short Courses | £19,400 | 20 | £3,880 | 08/12/2015 |
| BUS | | 5 | | £873,422 | | £9,229 | |
| ENG | ENG - Mechanical Engineering & Design | SCi090_ENG_Short Courses_Climate-KIC_Climate Entrepreneurship Programme | Short Courses | £1,250 | 100 | £1,250 | 17/07/2017 |
| | ENG - Electrical & Electronic Engineering | SCi081_ENG_OpenDate_Innovate UK Materials and Materials Round 3 | Contract Research | £159,101 | 10 | £15,910 | 03/07/2017 |
| | ENG - Computer Science & Informatics | KE110_Globetrotters Ltd_13062017 | Knowledge Exchange | £150,000 | 5 | £7,500 | 13/06/2017 |
| | ENG - Mechanical Engineering & Design | SCi085_ENG_Climate-KIC_Greenhouse pre-incubation programme tender | Regeneration Programme | £60,000 | 10 | £6,000 | 06/06/2017 |
| | ENG - Electrical & Electronic Engineering | KE090_Orxagrid_PhD_20032017 | Knowledge Exchange | £27,000 | 5 | £1,350 | 24/05/2017 |
| | ENG - Electrical & Electronic Engineering | KE091_Innovate UK Smart Sensors for Hazards in Railway Systems | PROJ REI External | £118,777 | 5 | £5,939 | 17/05/2017 |
| | ENG - Mechanical Engineering & Design | KE104_European Springs & Pressings_10052017 | Knowledge Exchange | £150,000 | 5 | £7,500 | 10/05/2017 |
| | ENG - Computer Science & Informatics | KE011_KET Data Mining & Web Scraping | Knowledge Exchange | £75,000 | 10 | £7,500 | 31/03/2017 |
| | ENG - Computer Science & Informatics | SP_020 Multi-language Creative Platform for SMS Notification as a Innovative method in high education (MLCP) | Regeneration Programme | £32,100 | 10 | £3,210 | 29/03/2017 |
| | ENG - Computer Science & Informatics | SP_021 Civil Protection Volunteers Training (CiProVoT) | Regeneration Programme | £38,750 | 10 | £3,875 | 29/03/2017 |

| | | | | | | | |
|------------|---|--|------------------------|-------------------|----|-----------------|------------|
| | ENG - Mechanical Engineering & Design | KE087_Malibu Health Products Ltd_28032017 | Knowledge Exchange | £150,000 | 5 | £7,500 | 28/03/2017 |
| | ENG - Electrical & Electronic Engineering | SCI067_Eng_InVigor Communications_EngArch training course | Short Courses | £6,000 | 85 | £5,100 | 15/02/2017 |
| | ENG - Mechanical Engineering & Design | KE088_Event Robots in Society_19012017 | Events And Conferences | £1,072 | 20 | £214 | 19/01/2017 |
| | ENG - Mechanical Engineering & Design | KE090_Fortis Day_Water Purification 03042017 | Knowledge Exchange | £150,000 | 5 | £7,500 | 01/01/2017 |
| | ENG - Electrical & Electronic Engineering | KE103_Eartex_Smart Ear Defender_25042017 | Knowledge Exchange | £151,740 | 5 | £7,587 | 01/01/2017 |
| | ENG - Computer Science & Informatics | KE032_Fundsurfer_AI Development for VC and Investment Readiness_KTP_21072016 | Knowledge Exchange | £72,870 | 5 | £3,644 | 12/08/2016 |
| | ENG - Computer Science & Informatics | KE001_Academy Class_VL Solutions_KTP_01092014 | Knowledge Exchange | £145,740 | 5 | £7,287 | 28/04/2014 |
| ENG | | 17 | | £1,489,400 | | £98,866 | |
| HSC | HSC - Primary & Social Care | H556_AppRes_HENCEL_Cancer Modelling Project | Contract Research | £150,000 | 0 | £0 | 20/07/2017 |
| | HSC - Mental Health & Learning Disability | H553_AppRes_Burdett Trust_Mongolia Project Funds | Contract Research | £7,000 | 20 | £1,400 | 03/07/2017 |
| | HSC - Primary & Social Care | H551_AppRes_NMC_Data Mining Project | Contract Research | £70,000 | 25 | £17,500 | 26/06/2017 |
| | HSC - Primary & Social Care | H439_Consultancy_HEFCE_DADF 2 | Consultancy | £166,000 | 20 | £33,200 | 02/06/2017 |
| | HSC - Allied Health Sciences | H441_Short Courses_Marie Stopes UK_UltraSound | Short Courses | £5,000 | 15 | £750 | 02/06/2017 |
| | HSC - Adult Nursing & Midwifery | H430_Consultancy_GSTT_FNA | Consultancy | £25,000 | 10 | £2,500 | 24/04/2017 |
| | HSC - Adult Nursing & Midwifery | H372_Research_Nicola Thomas_Evidence into Practice | Research Proposal | £49,123 | 20 | £9,825 | 16/11/2016 |
| | HSC - Primary & Social Care | H284_Cons_NHS England_Next Gen Lab | Consultancy | £139,961 | 50 | £69,981 | 30/06/2016 |
| HSC | | 8 | | £612,084 | | £135,155 | |
| LSBU | LSBU Fully funded | SP_017 Employability and Entrepreneurship for Nigeria (EE4N) | Regeneration Programme | £198,432 | 10 | £19,843 | 20/02/2017 |
| | LSBU Match funded | SP_003 Cold Water Heat Networks (CWHN) | Regeneration Programme | £0 | 0 | £0 | 01/10/2015 |

| LSBU | | 2 | | £198,432 | | £19,843 | |
|---------------------|---|--|------------------------|-------------------|----|-----------------|------------|
| LSS | LSS - Urban Environment & Leisure Studies | CDEI_029_Shortcourse_TUCO_May2018 | Short Courses | £8,000 | 75 | £6,000 | 30/06/2017 |
| | LSS - Social Sciences | SCi086_LSS_Contract Research_HEFCE_Understanding of mental health and wellbeing in the UK PGR population | Contract Research | £40,000 | 10 | £4,000 | 19/06/2017 |
| LSS | | 2 | | £48,000 | | £10,000 | |
| Other | Unknown | KE115_KFAS_Accredited_and_NonA_SC_20170714 | Short Courses | £0 | 50 | £0 | 14/07/2017 |
| | Unknown | short course Green Screen Practitioner | Short Courses | £300 | 50 | £150 | 29/06/2017 |
| | Unknown | Legal Issues Post Brexit Conference | Events And Conferences | £2,500 | 50 | £1,250 | 29/06/2017 |
| | Unknown | KE107_TraneUK_ | Knowledge Exchange | £0 | 0 | £0 | 04/05/2017 |
| | Unknown | KE098_NRM_18042017 | Knowledge Exchange | £0 | 0 | £0 | 04/05/2017 |
| | Unknown | KE100_L'Europeenee_20042017 | Knowledge Exchange | £0 | 0 | £0 | 20/04/2017 |
| | Unknown | KE112_CIIM_ILM_20170630 | Short Courses | £0 | 0 | £0 | 10/04/2017 |
| | Unknown | KE096_Mollart Engineering_04042017 | Knowledge Exchange | £0 | 0 | £0 | 04/04/2017 |
| | Unknown | KE095_Prestolite Electric Ltd_29032017 | Knowledge Exchange | £0 | 0 | £0 | 29/03/2017 |
| Other | | 9 | | £2,800 | | £1,400 | |
| GRAND TOTALS | | 60 | | £5,205,977 | | £901,950 | |

| | |
|------------------|--|
| | CONFIDENTIAL |
| Paper title: | LSBU and ASU Joint Venture Feasibility Study |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 10 October 2017 |
| Author: | Gurpreet Jagpal, LSBU Grant Thornton, Bahrain |
| Purpose: | Seeking approval from the SBUEL Board to proceed with the formation of a joint-venture company in Bahrain. Was approved at Executive on 25 th September 2017. . |
| Recommendation: | The board is requested to approve the proposal to proceed to the Board of Governors meeting on October 12 th 2017. |

Executive Summary

The JV will focus on delivering training and consultancy services across Bahrain, Kuwait and eastern province of Saudi Arabia, in collaboration with our university partners ASU.

We have been in discussions with ASU on the formation of a JV for almost a year now and the Board of ASU have already authorised them to proceed. At the request of LSBU's executive we have been asked to present a business case to:

- Executive (27/09);
- SBUEL Board (10/10); and
- Board of Governors (12/10).

The business case, jointly commissioned by LSBU and ASU, and prepared by Grant Thornton Bahrain is attached. The key sections of the report include:

- Business overview – providing a summary of the intentions of the JV and how it will operate.
- Market overview and opportunities – providing a summary of the size of the market (Bahrain; Kuwait and Saudi Arabia) and the opportunities that will be available to the JV
- Financial projections – providing an overview of the pessimistic and optimistic revenue generating opportunities.

In summary, the study highlights some significant opportunities for the JV in the 3 proposed markets and access for LSBU can only be secured through the formation of a JV.

LSBU and ASU are hosting a joint conference in November 2017 and our intention is to announce the formation of the JV at this platform, therefore the timeline of meetings and approvals is critical to achieve this.



Grant Thornton

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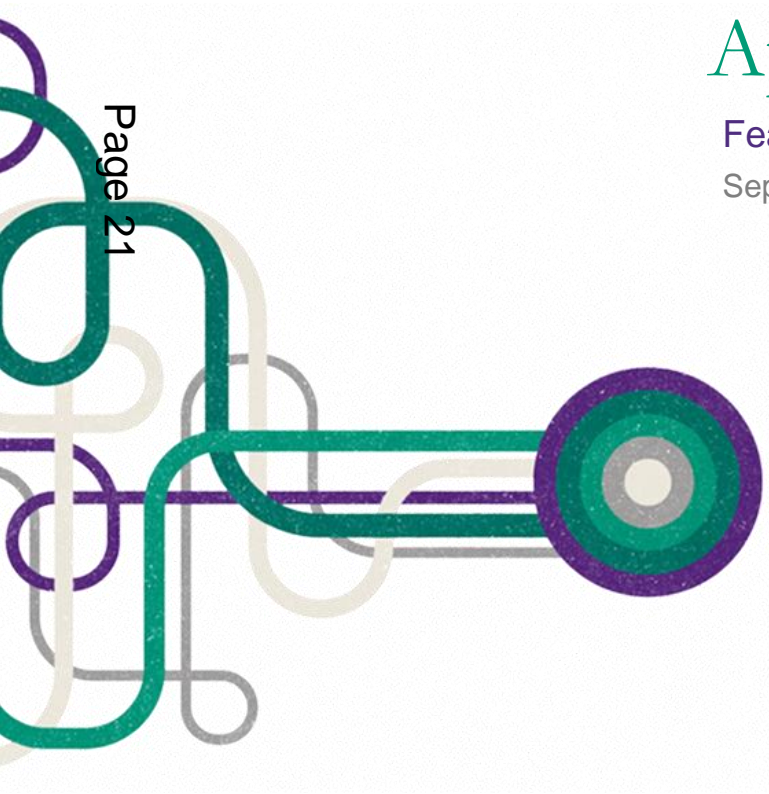
DRAFT

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.

London South Bank University and Applied Science University

Feasibility study
September 2017

Page 21



Prof. Paul Ivey
PVC, Research and External Engagement
Chair of South Bank University Enterprise Ltd
London South Bank University
Clarence Centre for Enterprise and Innovation
6 St George's Circus
London SE1 6FE

20 September 2017

Dear Prof. Paul,

London South Bank University and Applied Science University – Feasibility study

We have the pleasure in enclosing, herewith, a copy of the feasibility study report for setting up a joint venture company in Bahrain for providing consultancy and training services in a partnership with the Applied Science University (the “Gulf Educational Projects W.L.L.”) (the “ASU”) in Bahrain, as per engagement letter GTA/2860/17 dated 20 August 2017 for your review and approval.

We request you to kindly peruse the same and provide us with your feedback and comments.

If there are any matters upon which you require clarification or further information please do not hesitate to contact us.

Yours sincerely,

Jassim Abdulaal
Managing Partner

Bahrain

T: 973 17500188

E: jassim.abdulaal@bh.gt.com1

Chartered Accountants and Management Consultants

Member firm within Grant Thornton International Ltd

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DRAFT

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Glossary

| | | | |
|----------------------------|---|----------------|--|
| % | Percentage | Q1 | Quarter 1 |
| ASU or GEP | Applied Science University (Gulf Educational Projects W.L.L.) | Q2 | Quarter 2 |
| BD | Bahraini Dinar | Q3 | Quarter 3 |
| CAGR | Compounded Annual Growth Rate | Q4 | Quarter 4 |
| EBITDA | Earnings before interest, tax, depreciation and amortization | QoQ | Quarter on quarter |
| Grant Thornton | Grant Thornton-Abdulaal | R&D | Research and development |
| GBP | Great Britain Pound | Report | Feasibility study report dated 20 September 2017 |
| GBP/BHD | 2.06 GBP | Y-o-Y | Year-on-Year |
| GBP/KWD | 2.57 GBP | | |
| GBP/KSA | 0.21 GBP | | |
| GBP/USD | 0.78 GBP | | |
| GCC | Gulf Cooperation Council | | |
| GDP | Gross Domestic Product | | |
| IMF | International Monetary Fund | | |
| JV | Joint venture between ASU and LSBU | | |
| LSBU | London South Bank University | | |
| Management or SBUEL | Management of South Bank University Enterprise Ltd | | |

Important notice

This draft feasibility study report dated 20 September 2017 (the “Report”) has been prepared by Grant Thornton - Abdulaal based on the information from London South Bank University (the “LSBU” or the “University”) as per engagement letter letter GTA/2860/17 dated 20 August 2017. The University is looking to create a 50/50 joint venture (“JV”) company based in the Kingdom of Bahrain to take advantage of market opportunities in the Gulf region delivering training and consultancy services. The Report outlines the activities the two joint parties have agreed to focus on and certain estimates and projections of the anticipated future performance of the JV.

The Report is strictly private and confidential and must not be distributed to any person or persons other than the intended recipient, without the express written permission of Grant Thornton - Abdulaal. The contents of this document are based on qualitative comments and hence provide an assessment of the anticipated future performance of the JV.

The information contained in this Report has been obtained from various sources including the client and available sources of secondary information. The information contained in the Report and its attachments are given to each recipient on a confidential basis and may not be used, in whole or part, for any other purpose nor be furnished to any person or party other than ones to whom the copy of the Report has been sent.

Grant Thornton - Abdulaal does not undertake to review the financial conditions or affairs of the JV at any time nor to advise any recipient of its information or any additional information or to update this business plan or to correct any inaccuracy herein. The Report includes certain estimates and projections of the anticipated future performance of the JV. Such estimates and projections reflect various assumptions by the client, their advisors, concerning anticipated results and such assumptions may or may not prove to be correct.

Where the Report contains summaries of laws, contracts or documents, these should not be relied upon, and legal advice should be obtained and the original documentation must be referred to as is necessary for its full effect. No responsibility is taken by Grant Thornton - Abdulaal for the failure of any recipients of the Report to examine the underlying documents in their entirety.

Grant Thornton - Abdulaal does not accept any liability to any person in relation to the distribution of the Report in any jurisdiction. Acceptance by a recipient of the Report constitute its agreement to and acceptance of, the terms set forth in this notice.

Please note that the Report was carried out as on 20 September 2017 and we have not undertaken to update the Report or provide comments on events occurring after this date.

The Report includes financial tables, graphs and narratives that are rounded off, resulting in minor rounding differences. These differences are not errors and do not have an impact on the integrity of the analysis.

For the avoidance of doubt, the decision to pursue a particular course of action will rest solely with the Client irrespective of any advice given by Grant Thornton - Abdulaal.

THE DOCUMENT IS NOT A PROSPECTUS OR ANY OTHER FORM OF PLACEMENT MEMORANDUM FOR NEITHER THE SALE NOR AN INVITATION IN A SECURITY OR INVESTMENT OPPORTUNITY. THIS IS NOT A SOLICITATION TO BUY, SELL AND / OR SOLICIT BUSINESS AND FINANCING.

Engagement background

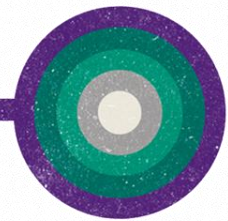
Engagement background

- LSBU has appointed Grant Thornton Abdulaal (“Grant Thornton”) for the purpose of preparing a feasibility study report for setting up a joint venture company in the Kingdom of Bahrain between Gulf Educational Projects W.L.L. (the “GEP”) and South Bank University Enterprises Ltd. (the “SBUEL”), a commercial subsidiary of LSBU, for providing training and consultancy services. For the purpose of the report both GEP and SBUEL has been referred to as the “JV” or the “Company”. The JV is looking to target three countries/region in the Gulf Cooperation Council (the “GCC”) namely, the Kingdom of Bahrain (“Bahrain”), Kuwait, and the Kingdom of Saudi Arabia (Eastern Province) (“Saudi Arabia”).
 - ✓ The GCC is a formation of six countries which include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Most of these economies share common challenges and drivers with similar demographics.
- The primary objective of both entities is to provide training and consultancy services through the formation of the JV which aims towards fill the existing market gap and cater to the growing demand the services in the region.
- In order to achieve this vision, the firm will retain a minimal central staff and utilize a network of free lance consultants/academics made of a talent pool from the available academic members of staff at London South Bank University and Applied Science University. The JV will be managed and marketed by a pool of experienced, independent consultants all headed by an appointed Chief Operating Officer(COO), who's is expected to be based in the Kingdom of Bahrain.
- The JV is looking to provide training services across the areas of leadership, project management, operations, strategy training, enterprise development, entrepreneurship, financial management, marketing and change management. In addition, the consulting services are expected to focus on operations across sectors relating to (manufacturing), strategy, business growth, research & development , entrepreneurship (start-ups), IT management , and change management.
- The JV will be catering to companies across sectors which include construction, financial services, pharmaceuticals, manufacturing, wholesale & retail, and telecommunication sectors.
- The report begins with an executive summary which is an excerpt of the entire feasibility study report.
- Each section of the report has been summarized briefly.

Contents

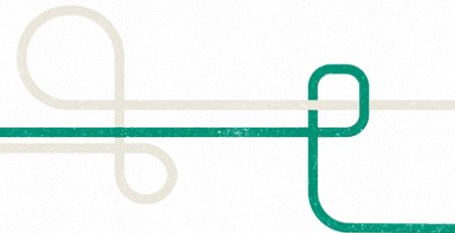
| Section | Page |
|--------------------------------------|------|
| 1. Executive summary | 7 |
| 2. Business Overview | 11 |
| 3. Market overview and opportunities | 32 |
| 4. Financial projections | 47 |
| 5. Conclusion | 66 |

Page 26



Section 1: Executive summary

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |



Executive summary

Joint venture in Bahrain

- London South Bank University (LBSU) is one of London's largest and oldest universities. LSBU’s Research, Enterprise and Innovation team, operating partially under the banner of South Bank University Enterprises Ltd (SBUEL) connects organisations with the University’s intellectual capital in order to enhance student success and to delivery social, economic and cultural benefits to society.
- Applied Science University (“ASU”) is located in East Al Eker in the Kingdom of Bahrain. ASU operates under the umbrella of Gulf Educational Projects W.L.L. (GEP), registered with the Ministry of Industry, Commerce and Tourism (“MOIC”) in Bahrain.
- SBUEL and GEP are considering forming a joint venture company in Bahrain to provide services in the financial and corporate market via professional development courses and management consultancy.
- The Investors have a vision to develop a professional services firm with the ultimate goal of delivering professional consultancy, and training & development services through a team of talented consultants/academics who will create a sustainable competitive advantage for the firm.
- In order to achieve this vision, the JV will retain a minimal central staff and utilize a network of free lance consultants made of a talented pool from the available academic members of staff at the two institutions, that makes a pool of experienced, independent consultants all headed by an appointed Chief Operating Officer (COO).
- To serve this purpose, an office will be established in Bahrain and UK to serve as a mutual hub(s) of services such as training, professional consultations, research and project management.
- The JV will be supported from a back-office located at the ASU campus in the Kingdom of Bahrain and would cater towards the Bahrain, Kuwait, and the Eastern province of Saudi Arabia.

The JV’s target markets



Vision
 “Pursuing excellence in professional services, training and consultancy in Management, Organization of conventions, events, and trade shows, Research and experimental development on natural sciences and engineering, Environment and Educational support”.

Mission
 “Offer, deliver and maintain a superior service to our clients that enables their growth and profitability on local, national and international levels”.



Financial summary

Statement of comprehensive income summary

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|---------------|----------------|----------------|----------------|----------------|
| Revenue from engagements | 395,760 | 644,742 | 741,453 | 852,671 | 980,572 |
| Cost of revenue | 197,880 | 322,371 | 370,727 | 426,336 | 490,286 |
| Gross profit | 197,880 | 322,371 | 370,727 | 426,336 | 490,286 |
| General and administrative expenses | (138,424) | (140,373) | (139,057) | (139,371) | (140,583) |
| EBITDA | 59,456 | 181,998 | 231,670 | 286,964 | 349,703 |
| Net profit / (loss) | 59,456 | 181,998 | 231,670 | 286,964 | 349,703 |

Statement of financial position summary

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------------|---------|---------|---------|---------|-----------|
| Receivables | 16,264 | 26,496 | 30,471 | 35,041 | 40,297 |
| Cash | 149,253 | 325,160 | 557,080 | 848,093 | 1,201,331 |
| Accumulated losses/retained earnings | 59,456 | 241,453 | 473,123 | 760,088 | 1,109,791 |
| Employees' end of service benefits | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |

Key ratios

| | | | | | |
|----------------------------|-----|-----|-----|-----|-----|
| Gross profit margin | 50% | 50% | 50% | 50% | 50% |
| EBITDA margin | 15% | 28% | 31% | 34% | 36% |
| Net profit / (loss) margin | 15% | 28% | 31% | 34% | 36% |

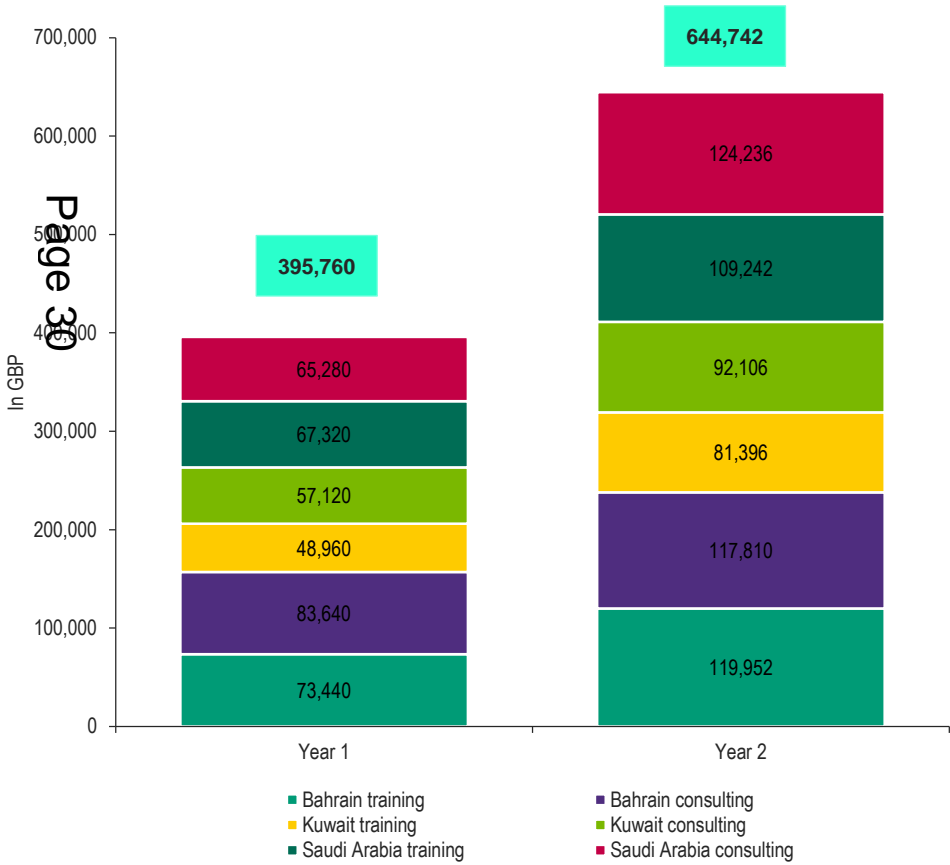
Notes: A detailed analysis of the figures given in the extracts above can be found on pages 49-57

Source: Management

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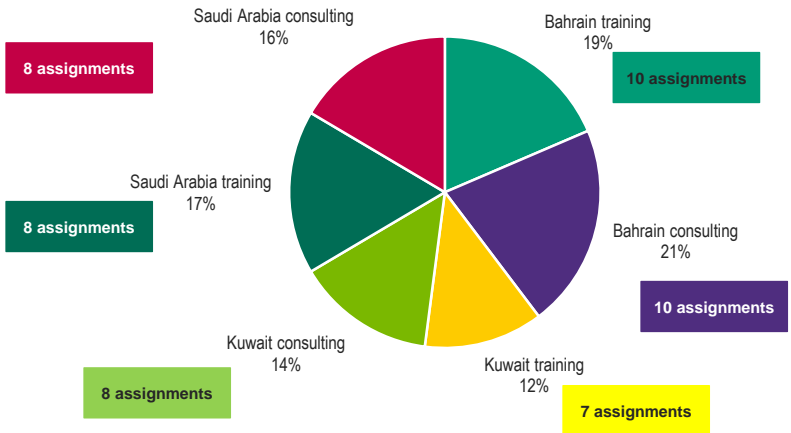
Revenue breakup overview

Revenue breakup by country and services offered



Source: Grant Thornton analysis
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Year 1 revenue and assignments breakup



Source: Grant Thornton analysis

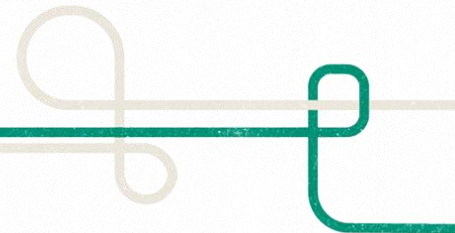
Year 2 revenue and assignments breakup



Source: Grant Thornton analysis

Section 2: Business Overview

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |



Summary of content

Overview

- The business overview section of the Report provides a detailed overview of the two parties involved in the JV namely GEP and SBUEL along with a detailed profile of key resources.
- The section provides a detailed description of the business activities of the JV with its resources and management team profile, which would be involved in leading, managing and operating the Company in the near to medium term period. The section further outlines a proposed organization structure of the JV.
- It further presents a proposed fee structure for the list of services offered:
 - ✓ *Training services:* programme would vary from 1 day (8 hours) for Entrepreneurship to 3 days (24 hour) for a financial management programme. The programme would ideally cater to larger audience in the range of around 10-30 professionals
 - ✓ *Consulting services:* would largely be assignment based, with the scope being defined at the start of each engagement. The engagement would range from weeks to few months.
- Post the overview on the JV, the section highlights a detailed study on the advantages gained from the formation of the JV.
- The section further highlights detailed competitor analysis covering all three markets along with the JV's competitive advantage and SWOT analysis.

Page 32

London South Bank University overview

About the University

- London South Bank University (LSBU) is celebrating 125 years this year. Established as the Borough Polytechnic Institute in 1892, the original aim of LSBU was 'to promote the industrial skill, general knowledge, health and well-being of young men and women', which remains remarkably similar today. Their continuous focus on vocational education and professional opportunity allows them to produce graduates who can meet the challenges of today's workplace.
- In June 1992 the institution was granted university status by the Privy Council to become London South Bank University (LSBU).
- LSBU has been given the award for Entrepreneurial University of the Year at the Times Higher Education Awards in 2016. The accolade celebrates the entrepreneurial support offered to students, graduates, staff and the local community led by LSBU's Research, Enterprise and Innovation team, based at the Clarence Centre for Enterprise and Innovation, with support from academics across LSBU's seven Schools.
- LSBU has around 17,600 students (with 93% coming from the UK and EU) and around 1,700 staff. LSBU is based in the London Borough of Southwark, near the South Bank of the River Thames, from which it takes its name. There is also a campus in Havering, Essex.

Aims

The aims of the University are summarized as follows:

1. To be in the top 50% of UK universities for research income by 2020
2. To be in the top 50% of UK universities for enterprise income by 2020
3. To be one of the ten best universities in the country for supporting and fostering student and graduate start-ups by 2020
4. To develop our Research Environment(PGR numbers, completions, Professoriate, concordat, repository, etc.) and enhance Impact
5. To be recognised as an enterprising and civic University

Mission

“to be recognised as an enterprising civic university that addresses real world challenges.”

Degrees offered

| College | Course |
|------------------------------------|--|
| Applied Science | <ul style="list-style-type: none"> • Forensic Science • Psychology • Sports coaching and analysis |
| Arts and Creative Industries | <ul style="list-style-type: none"> • Drama and performance • Journalism • Photography |
| Built Environment and Architecture | <ul style="list-style-type: none"> • Architectural engineering • Civil engineering • Construction management • Property management |
| Business | <ul style="list-style-type: none"> • Accounting and finance • Business Management • Economics • Marketing |
| Engineering | <ul style="list-style-type: none"> • Chemical engineering • Computer science • General engineering • Mechanical engineering |
| Health and Social Care | <ul style="list-style-type: none"> • Adult Nursing • Children's Nursing • Health & Social Care: Administration and Management |
| Law and Social Science | <ul style="list-style-type: none"> • Business Law • Criminal Law • Education studies • History • Human Geography |

Resource profiles



Page 34

Prof. David Phoenix - Vice Chancellor

- Professor David Phoenix, OBE, DL, DUniv, AcSS, DSc is the Vice-Chancellor of London South Bank University, Chair of million+, and a member of the HEFCE Strategic Committee for Teaching Quality and the Student Experience.
- He was elected to Fellowship of the Royal College of Physicians (Edinburgh) for his contribution to medical research and education and recognised as an Academician by the Academy of Social Sciences for his work in areas linked to educational policy.
- He currently represents Universities on the UK Performance Indicator Steering Group.
- In 2015 the Prime Minister appointed him as a trustee of the Science Museum Group. He is also a trustee of Universities UK and a Director of the National Centre for Universities and Business.



Prof. Paul Ivey- Pro Vice Chancellor (Research and External Engagement)

- Paul is responsible for research, enterprise, innovation, internationalisation, and LSBU's model Confucius Institute. He is: the higher education representative to the GLA's committees for European structural investment funds, employment and skills and FE area review; Chair of the London Research Excellence group; Deputy-Chair of London AccessHE; Chair of South Bank University Enterprise Ltd; board member for both the Collaborate and BASE community interest companies; LSBU's lead for the covenant with the armed forces; and member the University of London's military education committee.

Resource profiles



Gurpreet Jagpal - Director of Research, Enterprise and Innovation & CEO of South Bank University Enterprises Ltd.

- Gurpreet is Director of Research, Enterprise and Innovation at London South Bank University (LSBU) and a CEO of South Bank University Enterprises Ltd (SBUEL), where he brings together research and enterprise functions to maximise synergies with a greater focus on applied research. Gurpreet also ensures that clear processes are in place for monitoring performance across the whole University for research and enterprise activity.
- Further responsibilities include line managing the current University Research and Enterprise teams to deliver operational plans and ensuring momentum is sustained through the change period. Gurpreet also oversees REI activities that provide opportunities for London SMEs to engage with REI teams and LSBU academia, ensuring a continuous relationship between business communities and the University.
- Gurpreet is the senior manager sponsor for LSBU's Community Working Group, as part of the University's approach to sustainability.
- His qualifications include: MBA; MBTI Certified Practitioner; ILM Certificate in People Management; PRINCE2 Practitioner.

Source: LSBU website

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Lindsey Cole - Head of Entrepreneurship and Innovation Institute

- Lindsey Cole is Head of the Entrepreneurship and Innovation Institute at London South Bank University (LSBU). She is developing the university's approach to student enterprise, to support LSBU students and alumni to develop enterprise skills and start and grow their own businesses. Her team deliver a programme of extra-curricular enterprise support from LSBU's Clarence Centre for Enterprise and Innovation, including events, start-up programmes and competitions.
- She also supports staff across LSBU to develop an enterprising curriculum, building students' enterprise skills and ambitions. Lindsey works with a network of external partners and other universities to support LSBU to deliver an innovative programme of enterprise support.
- Prior to her current post, Lindsey was the Head of Business Partnerships at the University of East London, working with a network of local, national and international partners to generate income for the university and support the regeneration of East London. She has a particular interest in women's entrepreneurship and enterprise policy and completed a secondment at the UK government Department of Business, Innovation and Skills in 2012.

LSBU deans of schools



Prof. Janet Jones - Dean of the School of Arts and Creative Industries

Prof. Janet is an authority on the media industry, Janet has written several academic articles and books on the subject of journalism and democracy, the study of the internet and the public sphere, the future of public service broadcasting and public participation in multi-platform media. She has also published a book on the International Big Brother phenomenon. Her latest co-authored book, 'Digital Journalism' (Sage) was published in 2012.



Prof. Charles Egbu - Dean of the School of The Built Environment and Architecture

Prof. Egbu is the senior manager sponsor for LSBU's Curriculum Working Group in his capacity as a Dean of one of LSBU's seven Schools. As part of the University's approach to sustainability, He plays an active role in the promotion of sustainability issues across LSBU, both within and outside of the Curriculum Working Group.



Prof. Mike Molan - Dean of the School of Business

Prof. Mike was called to the Bar in 1981 (Middle Temple) Mike taught in higher education for over 30 years in both pre and post '92 institutions, as well as in the private sector. He has been published extensively in the areas of criminal law and public law. Mike is a member of the Bar Standards Board Education and Training Committee, Chair of the Bar Standards Board's Centralised Examination Board for England and Wales, and Chair of the Executive Board of the National Association of Licensed Paralegals. He was formerly Chair of the Council of Deans of Arts, Humanities and Social Sciences (DASSH-UK), and a member of Protimos Educational Trust Board.



Prof. Shushma Patel - Acting Dean of the School of Engineering

Prof. Shushma Patel is Professor of Information Systems and Acting Head of the Department of Informatics. She has more than 20 years of teaching and research experience in Information Systems, Cognitive Informatics, Change Management, Organisational Behaviour and Qualitative Research. She currently holds the post of Director of Research in the School of Business. Before joining London South Bank University, Shushma worked on many clinical research projects, in collaboration with, and funded by leading pharmaceutical and medical research councils. She studied Life Sciences as an undergraduate, before completing a PhD from the Faculty of Medicine, University of London.



Prof. Warren Turner - Pro Vice Chancellor/Dean, School of Health and Social Care

Prof. Warren became Assistant Dean of the Health Faculty at the University of Derby in 2001 and moved to London South Bank University as Pro Dean of the Faculty of Health and Social Care in 2009. Warren is currently also an advisor to Boots Ltd in respect of product development for Boots' high street foot care range and has assisted with the development of a number of new product lines. He has co-authored three podiatry text books and authored co-authored several journal articles and presented papers at International Conferences.



Prof. Craig Barker - Dean of the School of Law and Social Sciences

Prof. Craig Barker is the Dean of the School of Law and Social Sciences and a Professor of International Law. Appointed in 2015, Prof. Barker was previously Professor of International Law at the Sussex Law School, University of Sussex where he served as Director of Research (2004-8), Director of External Relations (2008-9), and Head of Department (2009-12). He was Director of the Centre for Responsibilities, Rights and the Law from 2012-15.

• The Dean of Applied Science is joining LSBU in the near future.

ASU overview

About the University

- Gulf Educational Projects W.L.L., operating under the name Applied Science University (“ASU” or the “University”) is located in East Al Eker in the Kingdom of Bahrain. It is a tertiary education institution which obtained its license from the Ministry of Education in accordance with decree issued by the Minister’s Council No. (WD 140/2004) dated 5th July 2004.
- The University provides degree programmes at both undergraduate and post graduate levels. In September 2013, ASU relocated its campus covering an area of 24,000 square meters. ASU currently has 52 lecture theaters including computer labs, drawing rooms, and Abdulla Nass hall. The entire 52 lecture theaters have the capacity of accommodating 2,287 students.
- ASU has implemented several improvements to its campus such as developing a 3-storey continuous learning center along with a multipurpose sports field on the roof top, expanding both the admission building by constructing a second floor and the students dining area in the cafeteria.
- The University enjoys academic partnerships with reputable higher educational institutions in Jordan, including Jordan’s Applied Science University and Moata University, and is an active member of the Association of Arab Universities, International Association of Universities and Association of Arab and European Universities. The courses offered by the University are alongside.

Page 37

Degrees offered

| College | Course | |
|-----------------------------------|------------|--|
| College of Arts and Science | • Bachelor | <ul style="list-style-type: none"> • Graphic Design • Interior Design • Computer Science |
| College of Law | • Bachelor | • Law |
| | • Master | <ul style="list-style-type: none"> • Law • Commercial Law |
| College of Administrative Science | • Bachelor | <ul style="list-style-type: none"> • Accounting • Accounting and Finance • Business Administration • Management Information Systems • Political Science |
| | • Master | <ul style="list-style-type: none"> • Accounting and finance • Business Administration • Human Resources Management |
| College of Engineering | • Bachelor | <ul style="list-style-type: none"> • Civil and Construction Engineering • Architectural Design Engineering |

Vision

“The vision of Applied Science University is to be one of the leading private universities supporting practical learning and scientific research in Bahrain and the Gulf”.

Mission

“ASU is committed to offering an education that is accessible to academically competent students of Bahrain, the Gulf and beyond, and to deliver academic programmes of quality that graduate students equipped with knowledge and skills relevant locally and regionally. ASU is further dedicated to the promotion of a culture of learning and scientific research for its students, staff and faculty regionally and globally to engage meaningfully with the community at large”.

Aims

The aims of the University are summarized as follows:

1. To assume social responsibility and to serve the local and regional community.
2. To further enhance scientific research standards in the fields of knowledge.
3. To offer new specializations to meet the market demands.
4. To keep abreast of scientific developments and to provide all the means of academic success.

Resource profiles



Professor Waheeb Al Khaja – Chairman

- Professor Waheeb Al Khaja, the Managing Director of the Board of Directors and founder of the Applied Science University (ASU).
- Professor Waheeb Al Khaja obtained his Bachelor in Civil Engineering from Texas University in USA in 1981. He continued his PhD at Leeds University in 1986, specializing in Construction Engineering and Material Management.
- He has spent around 30 years in teaching and researching different topics related to Civil Engineering. He has published 27 scientific research papers on the construction, roading, quality and managing projects. He has supervised more than 15 master's degree dissertations, and, in addition to that, he has supervised postgraduate diploma projects.
- He was recently granted the fellowship from Chartered Institute of Building of the United Kingdom. This honor is granted to people who are qualified and have extensive experience in the engineering and construction field. Professor Waheeb Al Khaja is proud to be the first Bahraini to obtain the fellowship and will be added to his already impressive list of achievements.

Source: ASU website

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Professor Ghassan Fouad Aouad – President of the University

- Professor Ghassan Fouad Aouad has been the President of the Applied Science University since November 2014. He was named as one of the top ten academic leaders shaping executive education in the Middle East by the Middle East Economic Digest.
- He has received Honorary Doctorate of Technology (Loughborough University, UK)
- PhD in Construction Management and IT (Loughborough University, UK)
- MSc in Construction (Loughborough University, UK)
- BSc in Civil Engineering (Beirut Arab University, Lebanon)

Resource profiles



Page 30

Yasser Ezzat Abbar

Head of Training and Internship Unit and Academic Staff in Department of Design & Arts

Assistant Professor

Area of Specialization: Graphic Design, Typography

Academic Qualification:

PHD Fine Arts (Helwan University) – 2000

Master Photography & Printing (Helwan University) – 1997

Bachelor Fine Arts (Damascus University) –1986



Abdulla Al-Khaja

Director of Administration and Finance

Area of Specialization: Financial Operations

Academic Qualification:

(PENDING)



Mohammed Youssif Ahmed Abo Keir

VP for Administration, Finance and Community Engagement

Assistant Professor

Area of Specialization: Human Resources and Management

Academic Qualification:

PHD Human resource (Cardiff Met University, UK) – 2016

Master Business Administration (Hull University, UK) - 2010

Bachelor Languages (Al-Mustansiriya University, Iraq) – 1996

ASU deans of schools



Ramzi Nekhili

Acting Dean of Administrative Sciences College and Head of Quality Assurance Unit and Academic Staff in Department of Accounting and Finance

Area of Specialization:
Finance

Academic Qualification:

PHD Business Administration (BiLKENT University) – 2002

Masters of Business Administration (University of Law and Economics and Disposition) – 1996

Bachelor Food Engineering (South University) – 1990

Belal Mohammad Ahmad Zaqaibeh

Dean of Arts and Science College and Academic Staff in Department of Computer Science

Area of Specialization: Computer Science – Database Systems

Academic Qualification:

PHD Computer Science (University Putra Malaysia) – 2006

Master Computer Science (University Putra Malaysia) – 2001

Bachelor Computer Science (Irbid National University) – 1998.

Husein Abdelmahdi Mohammad Bani Issa

Vice Dean of College of Law and Head of Quality Assurance Unit and Academic Staff in Department of Public Law

Area of Specialisation:
Criminal law

Academic Qualification:

PHD Public Law (National Academy of Science of Ukraine) – 1998

Master Law (Odessa University) – 1994

Bachelor of Law (Mutah University) – 1992

• The Dean of Engineering school is joining ASU in the near future, as this is a new department to the university.

Business overview

Joint venture in Bahrain

- London South Bank University (LBSU) is one of London's largest and oldest universities. LSBU’s Research, Enterprise and Innovation team, operating partially under the banner of South Bank University Enterprises Ltd (SBUEL) connects organisations with the University’s intellectual capital in order to enhance student success and to delivery social, economic and cultural benefits to society.
- Applied Science University (“ASU”) is located in East Al Eker in the Kingdom of Bahrain. ASU operates under the umbrella of Gulf Educational Projects W.L.L. (GEP), registered with the Ministry of Industry, Commerce and Tourism (“MOIC”) in Bahrain.
- SBUEL and GEP are considering forming a joint venture company in Bahrain to provide services in the financial and corporate market via professional development courses and management consultancy.
- The Investors have a vision to develop a professional services firm with the ultimate goal of delivering professional consultancy, and training & development services through a team of talented consultants/academics who will create a sustainable competitive advantage for the firm.
- In order to achieve this vision, the JV will retain a minimal central staff and utilize a network of free lance consultants made of a talented pool from the available academic members of staff at the two institutions, that makes a pool of experienced, independent consultants all headed by an appointed Chief Operating Officer (COO).
- To serve this purpose, an office will be established in Bahrain and UK to serve as a mutual hub(s) of services such as training, professional consultations, research and project management.
- The JV will be supported from a back-office located at the ASU campus in the Kingdom of Bahrain and would cater towards the Bahrain, Kuwait, and the Eastern province of Saudi Arabia.

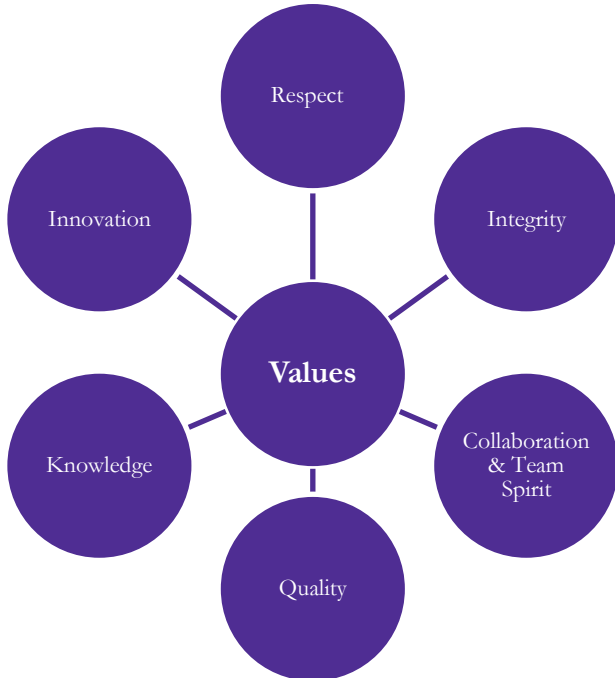
Page 41

The JV’s target markets



Vision
 “Pursuing excellence in professional services, training and consultancy in Management, Organization of conventions, events, and trade shows, Research and experimental development on natural sciences and engineering, Environment and Educational support”.

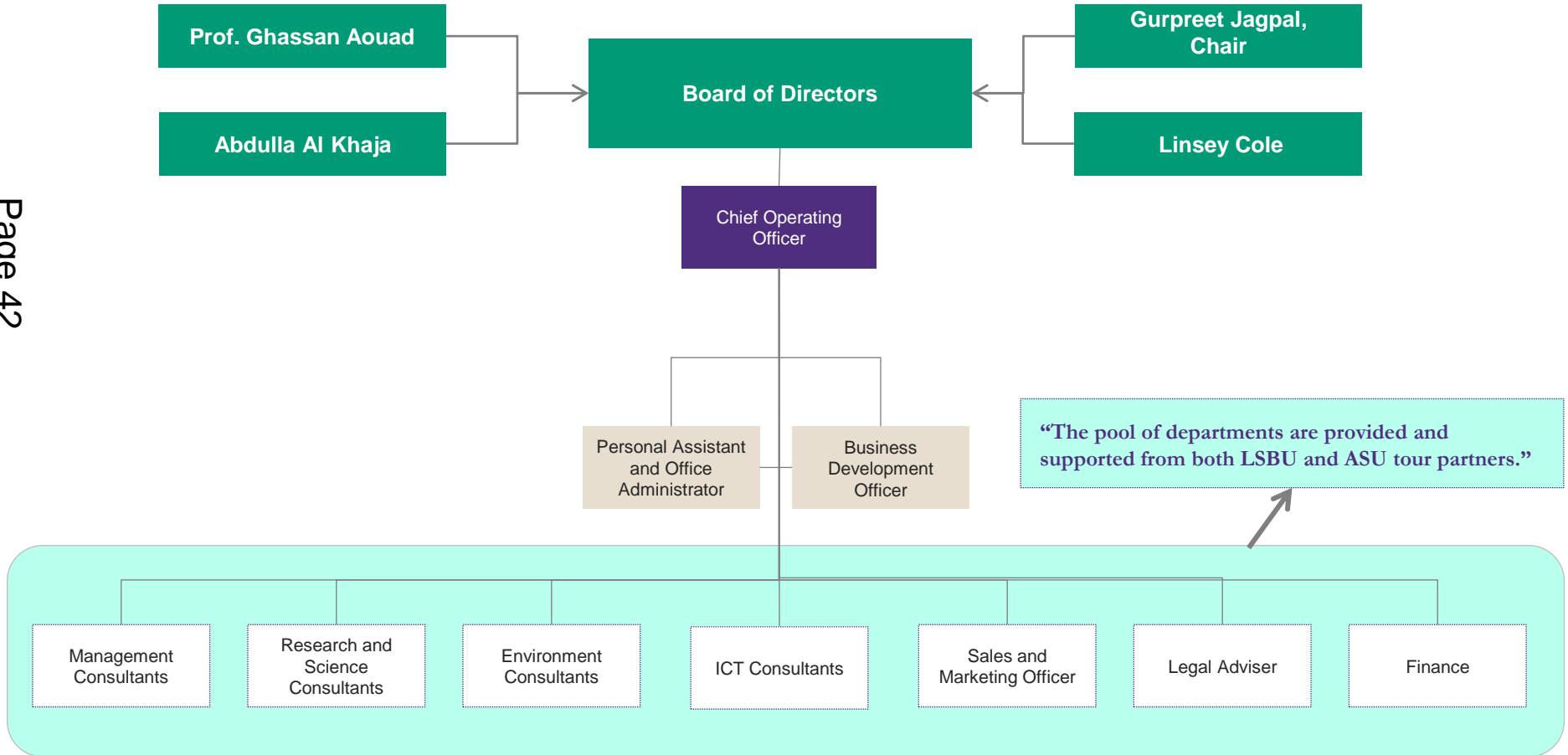
Mission
 “Offer, deliver and maintain a superior service to our clients that enables their growth and profitability on local, national and international levels”.



Organizational Chart

Organization structure

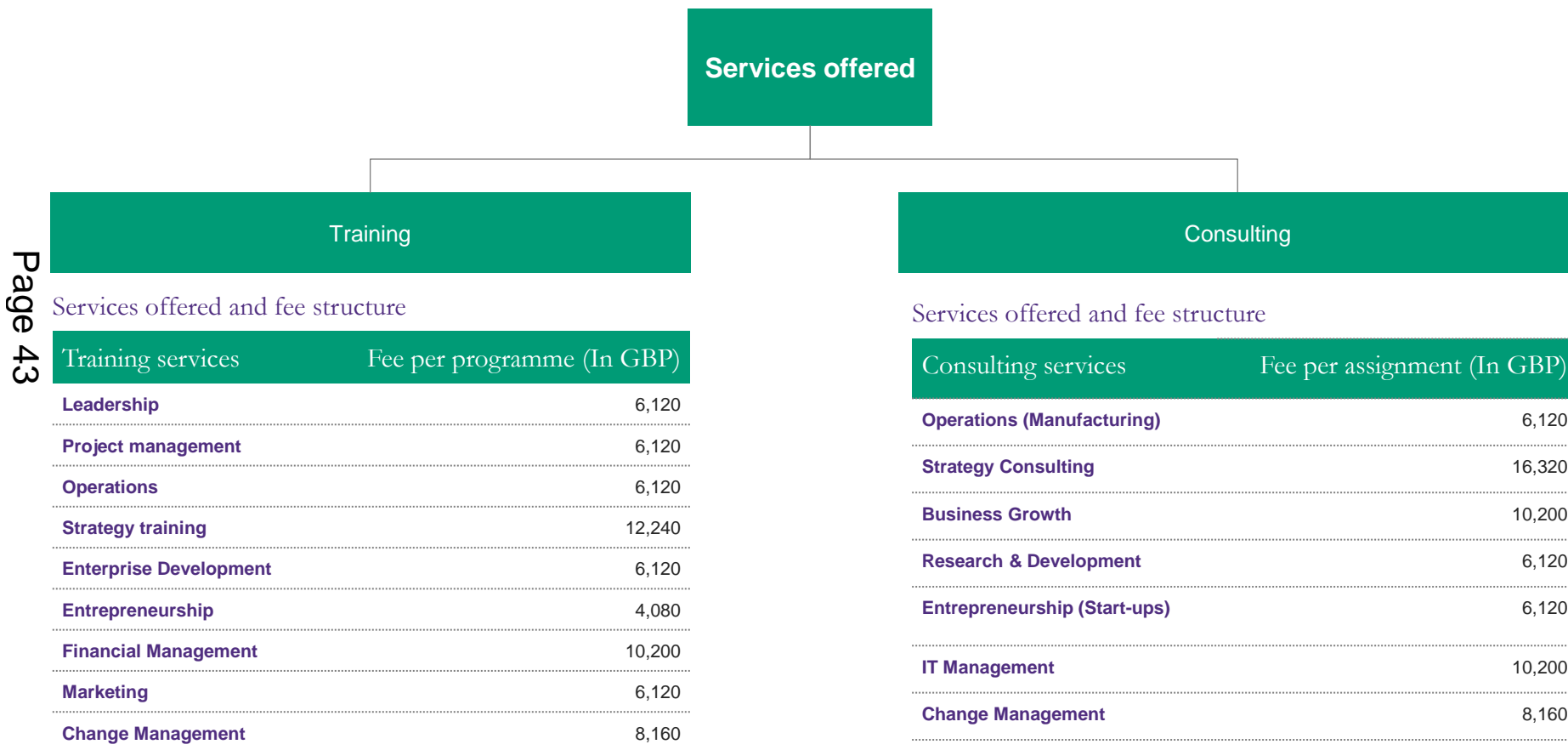
Page 42



Services offered by the joint venture and fee structure

The fee per programme and assignment given in the tables above have been assumed based on the market research performed by Grant Thornton on the current rates charged in the Kingdom of Bahrain and its knowledgeable expertise being in the market since 2000.

The services listed in the table below will be offered by the joint venture establishment:



Page 43

Benefits of the Joint Venture business case

The advantage gained from the formation of a joint venture between LSBU and ASU are listed below:

| Joint Venture Benefits | | | | | |
|------------------------|--|--|--|--|---|
| Particular | Overview | Advantages of LSBU entry through JV | Disadvantages of LSBU entry alone | Recommendation | |
| Page 44 | <ul style="list-style-type: none"> Tamkeen Grant | <ul style="list-style-type: none"> Tamkeen, a semi-governmental organization in Bahrain who supports developing Bahrainis to allow for their effective competition in the labour market. Additionally, drive increased productivity and efficiency among businesses, and simultaneously help generate value-added job opportunities in the Kingdom. | <ul style="list-style-type: none"> If a JV is formed LSBU will be eligible for government support through Benefits of Tamkeen Scheme which ranges from subsidies of professional certifications, business development, training and wage support, micro-finance, Riyadat financing, and international placement. However, stressing on Tamkeen’s funding policy for training, Tamkeen will only provide funding towards the training courses offered by the JV once training takes place in Bahrain approved by Ministry of Labor (MOL) or Ministry of Education(MOE) licensed Training provider. <p>Funding policies:</p> <ul style="list-style-type: none"> Initially the candidate pays 50% of the course fees to the Training provider and Tamkeen pays the remaining 50% of the course fees to the training provider. After completing the programme and passing the assessment, Tamkeen reimburses the amount paid by the candidate. | <ul style="list-style-type: none"> LSBU may not be able to benefit from Tamkeen schemes and benefits due to not having an eligible local partner. | <ul style="list-style-type: none"> Its prudent and wise for an international player to enter the Bahrain market with through a JV with a local player as they will be able to benefit from support and subsidies relating to professional services once linked with a local partner. (Tamkeen schemes) |
| | <ul style="list-style-type: none"> Government funding | <ul style="list-style-type: none"> The government of Bahrain under Ministry of Labour grants wage funding towards new employees for the first two years for the sole purpose of new job creation and employment in Bahrain | <ul style="list-style-type: none"> The JV employee located in Bahrain can benefit from Ministry of Labour 50% funding of employees wages for the first 2 years of employment | <ul style="list-style-type: none"> LSBU may not be able to benefit from Ministry of Labour funding scheme | <ul style="list-style-type: none"> Entering the Bahrain market through a JV will aid in lowering staff cost with a reduction of 50% in employee wages (for Bahraini employees only) in the first two years of operations which will assist in the profitability of the joint venture |

Benefits of the Joint Venture business case

The advantage gained from the formation of a joint venture between LSBU and ASU are listed below:

Joint Venture Benefits

| Particular | Overview | Advantages of LSBU entry through JV | Disadvantages of LSBU entry alone | Recommendation |
|-------------------------|--|--|--|--|
| Existing network | <ul style="list-style-type: none"> ASU is a well established University in Bahrain since 2004, with strong client networking across both government and private sectors. | <ul style="list-style-type: none"> By grasping a decent market share across LSBU international reputation around Bahrain, Kuwait, and Saudi Arabia (Eastern Province), through ASU resilient client-networking where the JV's will have a strong potential for expanding into other GCC countries. | <ul style="list-style-type: none"> LSBUs must strive to develop relations and secure clients around Bahrain, Kuwait, and Saudi Arabia (Eastern Province) which could take a long time to secure business opportunities in an unfamiliar market. | <ul style="list-style-type: none"> Entering a joint venture will help international players benefiting from both ASU's strong client-networking within government and private sectors and LSBU status as the UK's Entrepreneurial University of the Year which will boost the establishments credibility and facilitate the process of capturing market share |
| Existing infrastructure | <ul style="list-style-type: none"> ASU has an existing infrastructure where physical space and human resource can be provided. This will help the JV lead the market with both the establishment and management of a professional services firm. | <ul style="list-style-type: none"> ASU will not only provide resources such as local consultants employed under ASU, but also physical office space which will help reduce the required capital expenditure costs significantly to start the business | <ul style="list-style-type: none"> LSBU may not be able to benefit from ASU's resources and other additional benefits and will have to provide their own consultants which will increase their operating costs and incur additional rental expenses towards an office to operate the business out of. | <ul style="list-style-type: none"> Establishing the business as a joint venture will aid international players in lowering operating costs through functioning out of an existing infrastructure (ASU university) and result in improved consultancy resources |
| Strengthening relations | <ul style="list-style-type: none"> A joint collaboration between both entities will result in quality work, timely deliverables, and strong branding image as a reputable foreign university is taking part in providing consultancy services in a joint venture with ASU and this will increase the businesses reputation and strengthen relations with clients. | <ul style="list-style-type: none"> By LSBU joining in the formation of the JV, they can benefit from strengthening relationships between London South Bank University and Applied Science University and benefiting from market knowledge and facilitating the process of seeking clients and networking in the GCC | <ul style="list-style-type: none"> LSBU must establish and build a client base solely by approaching business and enterprises in an unfamiliar market | <ul style="list-style-type: none"> International players will gain from the local partners technical expertise and local knowledge of the market and gain additional business opportunities |

Page 45

Competitive advantage

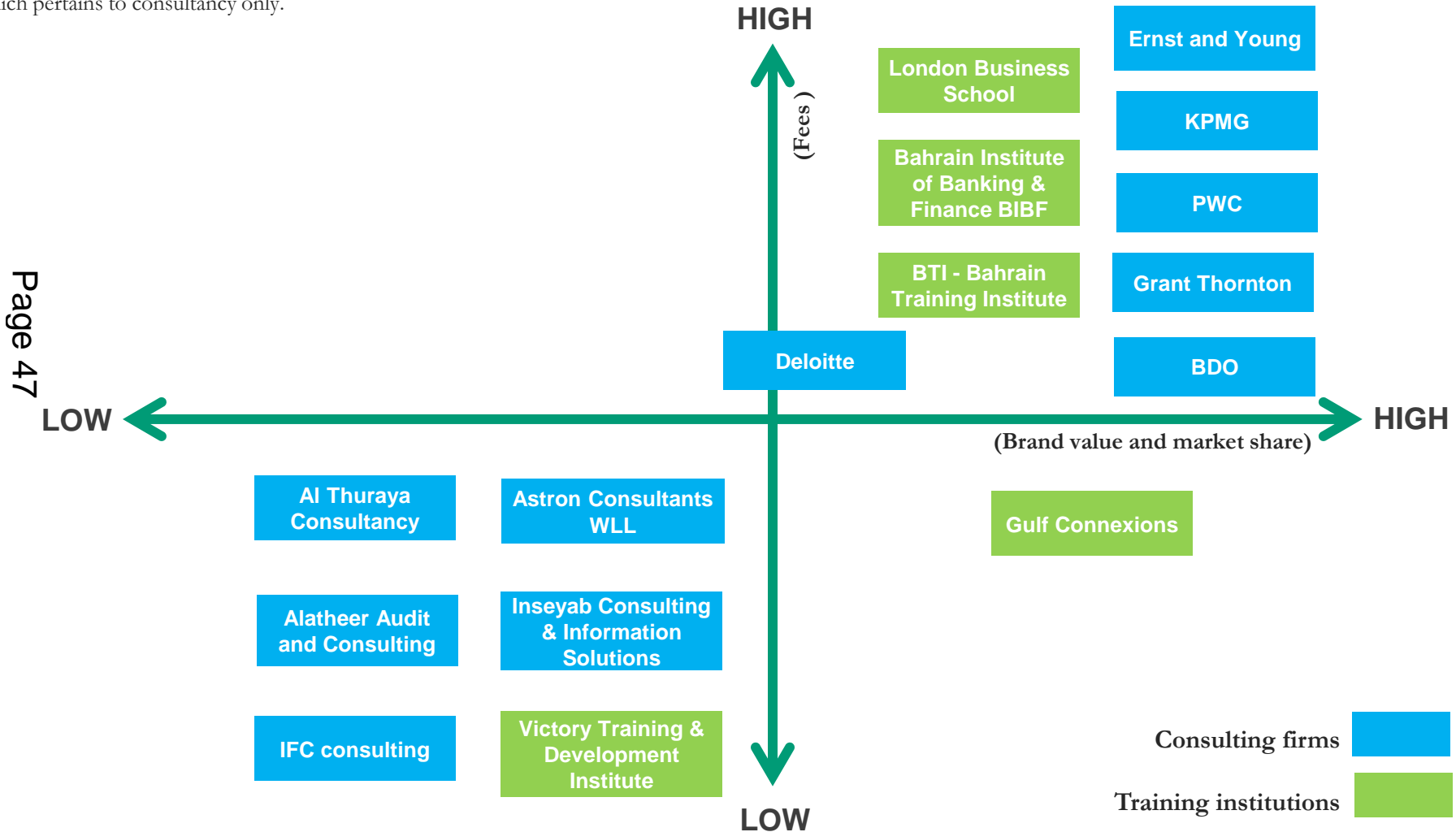
Joint venture establishment

| | | | | | | |
|--|---|--|---|---|--|---|
| <p>Existing Infrastructure:</p> <p>Coordinating activities tightly between functions and build quality in organizational practice since LSBU is currently providing such training and consulting services in the UK and can source out expatriate consultants to Bahrain to implement such services</p> | <p>Human resources:</p> <p>Sourcing out highly experience remote consultants to work remotely on assigned engagements, which design incentives that promote quality and specialized professions for the consultants.</p> | <p>Resilient technology development:</p> <p>High R & D expenditure in ASU of around 6% of the budget to make distinctive or even unique products. Refinement of high quality technology processes by developing a strong source of data base on the intranet.</p> | <p>Relatively leaner cost structure:</p> <p>Low cost operations by means of sourcing out consultants from both entities that provides quality and timed deliverables to each engagement.</p> | <p>Marketing and Sales:</p> <p>Special distinctive advertisement channels, technical sales and know-how. Putting high emphasis on treating the client as a special individual, delivering fast and courteous special services.</p> | <p>Brand recall for ASU:</p> <p>Being associated with LSBU will give comfort to businesses through LSBU's international presence in the market and will lure clients into acquiring further engagements</p> | <p>Existing strong network of ASU:</p> <p>ASU's Strong ties and relations with government and private sectors will contribute largely to additional business opportunities in the GCC market</p> |
|--|---|--|---|---|--|---|

Competitors analysis

The chart given below pertains to the existing consultancy firms and training institutions catering towards all three targeted markets by the JV, namely Bahrain, Kuwait, and Saudi Arabia (Eastern Province). The same metrics apply to the three targeted countries.

The leading consultancy firms highlighted in blue namely, (Ernst and Young, KPMG, PWC, Deloitte, and Grant Thornton) are competing with small part of their business which pertains to consultancy only.



Direct competitors analysis – Consulting in Bahrain, Kuwait and Saudi Arabia (Eastern province)



Page 48

PwC is a foreign ownership based firm.. Locations include Bahrain, Kuwait and Saudi Arabia, it provides range of expert capabilities from Strategy, through Advisory and Consulting to Tax and Assurance Services, underpinned by the standout digital platform in the region.

- Deloitte is a foreign ownership based firm. Locations include Bahrain Kuwait and Saudi Arabia, it provides accountancy, auditing, tax advice and management consulting; investment banking services including corporate finance and investment advisory on mergers and acquisition, initial public offering and underwriting.
- Grant Thornton is a Private firm. Locations include Bahrain, Kuwait and Saudi Arabia, they are one of the leading and fastest-growing assurance and business advisory firms in the region, dedicated to serving the needs of a wide range of clients and industries. They provide services in advisory, assurance, legal and accounting. In advisory, they mainly function in business and risk advisory as well as transaction advisory.
- Astron typically assists clients with the introduction and maintenance of Health and Safety procedures and programmes.
- Their service includes Gap analysis against standards, third party auditing including internal and pre-assessments audits, Risk Assessments and Legal Compliance Assessments.
- INSEAD is stationed in Abu Dhabi but offers various online programs in the areas of General Management, Corporate governance, leadership, strategy, digital transformation & innovation, finance, market & Sales, Entrepreneurship & Family Business, etc at affordable prices. Added advantage to such programs are acclaimed certificates provided by INSEAD that hold value.

Direct competitors analysis – Training in Bahrain, Kuwait and Saudi Arabia (Eastern province)



- VTDI is a Training Institute established in June, 2008 , and operates in the Kingdom of Bahrain to improve the skills and knowledge of workforce in the Gulf region to create better workplace practices and effective performance levels in various organizations.
- Mr. Omar Al-Mannai is the Vice President
- They offer trainings both nationally and internationally.
- The programs offered by them include trainings for Six Sigma, Diploma in human resource management, executive business management, health and safety, executive warehousing management, teamwork, emotional intelligence, stress management, communication skills, etc.
- Set up in Bahrain in 2006, they have expanded internationally across to Riyadh, Al Khobar and Jeddah in Saudi Arabia.
- Their Group executive director is Bayden Tierney.
- Gulf Connexions are involved in recruitment of personnel in the Banking & Finance sector, construction sector, insurance, legal, energy sectors, etc.
- BTI (Bahrain Training Institute) was established in 1992 and is committed to providing the highest standards of vocational training in Bahrain and great importance is attached to trainees having opportunities to gain internationally recognized qualifications.
- Thus, the Institute has forged alliances to deliver certificate, diploma, and bachelor level programmes with a number of external accreditation bodies.
- BTI provides training in the Engineering sector, particularly in Health and Safety, Mechanics, Civil Engineering, It Academy, Math and science academy, etc.
- Saudi Oger Training Institute was established in 2007 under the guidance of the President Mr. Rafiq Hariri.
- It aims to train and prepare the Saudi youth to work in the private sector and is characterized by the availability of specializations not available in institutes and similar institutions such as training programs in the fields of construction, maintenance, And tourism, in addition to granting the diploma degree in technical and tourism studies, as well as the development and implementation of community service programs.
- Performance Inc Kuwait with limited liability was established in 2008 in Kuwait.
- It operate according to the purposes established in the field of management consulting, economic and marketing activity associated with the development of human resources, has been able during this period to implement several projects, organizational restructuring, strategic, managerial and marketing for many private sector companies within the State of Kuwait and abroad, as well as the preparation of a variety of economic feasibility studies, in addition to the preparation, designing and implementation of several training programs for the development of human resources at several points such as local and regional banks.

SWOT analysis for JV

Strengths

- **Strong experience in similar engagements in the UK;** LSBU have already begun a similar services which has supported around 542 external businesses in the United Kingdom. Through LSBU's training services, they have trained around 3,835 people
- **Relatively low operational costs results from sharing of resources;** Such as an existing infrastructure is already in place with ASU. The people involved with offering consulting and training services will be provided by both LSBU and ASU
- **The JV offers multiple and complimentary services;** Such as, training: Marketing, Financial Management, and Strategy, etc. Consulting: Business Growth, Change Management, IT Management, etc.
- **Strong relationship with potential clients;** ASU already has a strong clientele in place in the Kingdom of Bahrain
- **Pricing: Cheaper alternative for SMEs who can't afford the big 4 consulting firms;** The assumed revenue per service is lower than that of which the big 4 consulting firms charge to organisations
- **Relatively unique business activity where a foreign university is in collaboration with a local university offering consultancy services in the Kingdom of Bahrain;** Other universities are not offering consultancy services in Bahrain, this makes it an area in which the JV has a clear entry
- **Strong and credible reputation by both entities;** LSBU winning the entrepreneurial university of the year, ASU is considered as one of the top universities (ranked 6th in Bahrain, 2017) for education that it offers students/clients
- **Ability to arrange flexible payments for certain clients;** Due to either the strong current relationships or the size of some potential clients, the JV will be able to be flexible with the fees that they offer
- **International presence in the market will lure clients into acquiring engagements;** LSBU comes with a reputation to progress the JV's quality and proficiency as a international firm

Weaknesses

- **No core competencies are yet developed;** As of yet the JV has not set up a base in the Kingdom of Bahrain, and also, haven't marketed the services that are on offer to potential clients
- **High setting-up costs without the formation of a JV;** With the JV ASU will be able to provide LSBU infrastructure and employees to progress the JV further
- **Allocation of cost will be challenging;** Lectures are paid 50% of the service fees, which will have a an impact to the JV's profit margins
- **Lack of market knowledge unless tied up with Applied Science University;** LSBU have a relatively limited experience of the market as compared to ASU
- **Absence of standardized procedures (For GCC market);** Procedures are not structured effectively towards the execution of assignments, as LSBU and ASU have to come to an agreement on the most efficient approach taken by the JV
- **Absence of specialised skills and knowledge in support of functions unless all shared with Applied Science University;** ASU have the client base and knowledge of the market in the GCC, LSBU have the experience from providing these services in the UK
- **Strong presence of regional language in markets like Saudi Arabia, which could lead to shortfall in securing clients;** Language barrier may affect some engagements with potential clients

SWOT analysis for JV

Opportunities

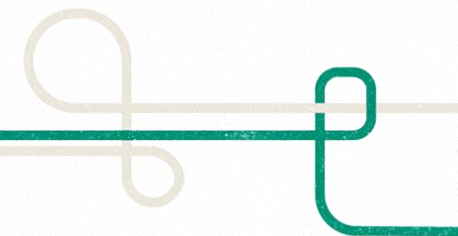
- **Business model can be further developed and enter new market segments;** Addition services through training and consultancy can be added to the JV's list to attract customers that require other objectives from these services
- **Can expand into selling activities related to research and reports;** The consultancy services can be developed into offering clients an expanded opportunity to their requirements, with the use of feasibility studies, etc.
- **Eligible for government support and subsidies relating to professional services once linked with a local partner. (Tamkeen schemes);** International firms are unable to get a Tamkeen scheme. With the JV being with ASU a local firm in the Kingdom of Bahrain, they are applicable for the schemes, which can help support the start up costs of the JV
- **Deliver training through channels of other training institutes currently present in the market;** Once the JV has a presence in the targeted markets, the JV can start to offer training through reputable training institutes in the GCC
- **Expand the business activities into other GCC countries and MENA region;** There are six countries in the GCC, the JV is only currently targeting three, United Arab Emirates, Oman, and Qatar could be an option to expand the JV further
- **Strong support from the government to promote local national and develop non-oil based sectors;** The government in the Kingdom of Bahrain aim to create or develop sectors other than oil based, for the development of the countries GDP and Saudi Arabia is national transformation plan provides an opportunity to close the existing skill gap. This can benefit the JV for acquiring governmental support

Threats

- **Pace of establishing the JV to stay ahead of the competition;** Further competition could follow the JV by enter the GCC market, which may possibly have an affect on the JV's Clientele
- **Economies of Scope (Bundle solutions) such as other educational institutes offering training, E-learning, skill development courses offered by universities/institutes, and professional certifications;** Other international universities may realise the potential once seeing the JV and decide to branch out to the GCC and offer a similar range of services, and add competition in the target markets
- **Existing competition in the market such as the big 4 consulting firms;** The reputation of the big 4 firms is globally renowned, larger potential clients may prefer the experience and expertise that comes with the big 4 firms
- **Economical, political and regulatory factors;** Changing governmental demands in the GCC may affect the development of the JV, as services may have to change depending on requirements

Section 3: Market overview and opportunities

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |



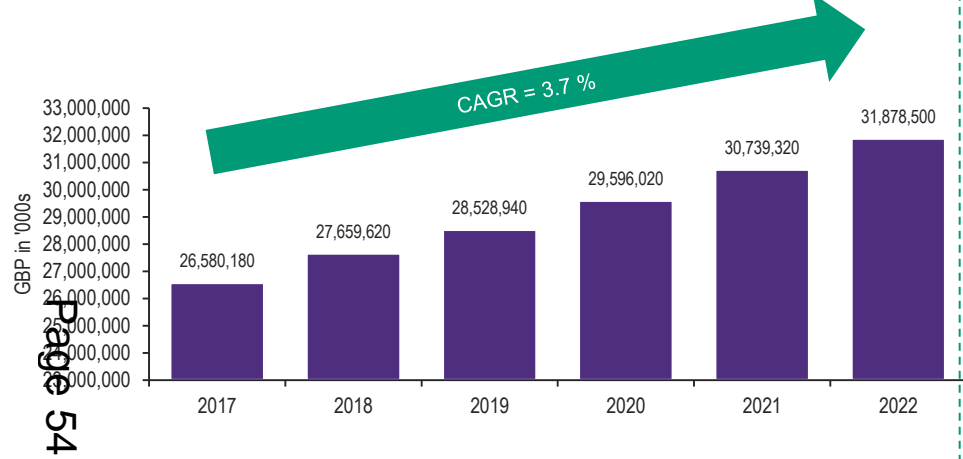
Summary of content

Overview

- The JV is planning to enter three markets which comprise of Bahrain, Kuwait, and Saudi Arabia (Eastern-Province). The following section highlights a few macro economic factors critical for the success of the JV, mainly GDP forecast growth , inflation, contribution to GDP by sector for the three markets.
- While the section provides details on training and consulting markets of the GCC region. Its is largely believed that the GCC region , which consist of six countries, are dictated by the same market trends, drivers and challenges.
- The GCC is looked at as one entire region where demands are fairly equivalent to each other causing strong emphasis on the development of technical and vocational skills.
- This section gives a strong indication on the market dynamics of the GCC, which are critical for the JV's success over near to medium term period.
- The following slides in this section of the report cover economic trends, demographic analysis, GDP contribution sector wise across all three markets, market drivers for training and development in the GCC, major human capita trends in the GCC which indicates human trends towards leadership programmes, and comprehensive statistics on the consultancy market size in the GCC.

Bahrain economic trends

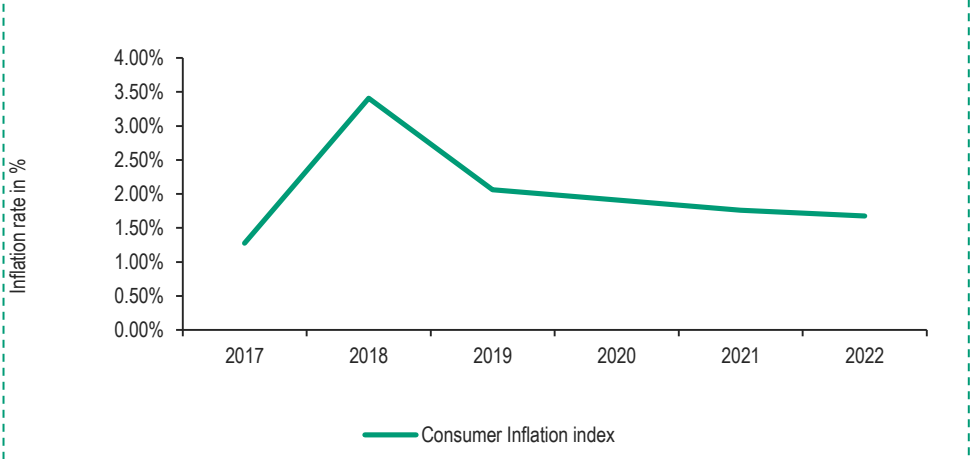
Nominal GDP Forecast



Source: IMF

- As per IMF, the nominal GDP is expected to grow from GBP 26.6 billion in 2017 to BD 31.9 billion in 2022, a CAGR of 3.7%.
- The falling oil prices is expected to weigh down on the economy leading to sluggish growth rate over near to medium term period.

Inflation Rate

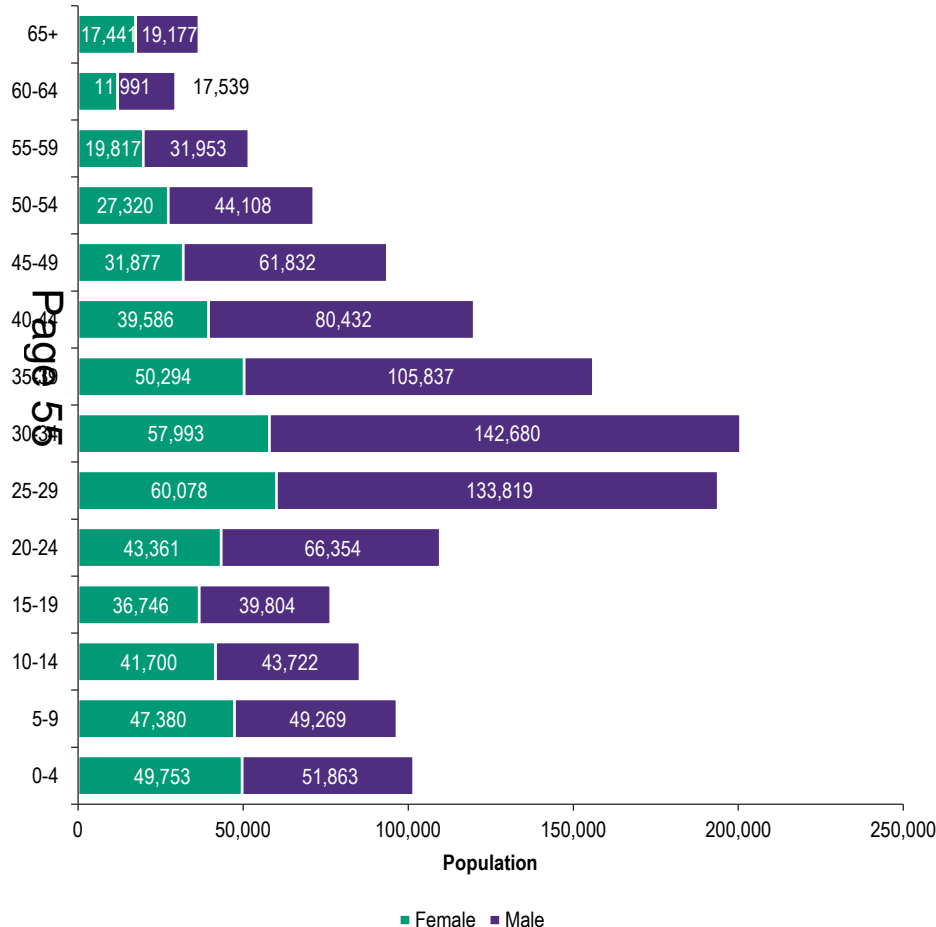


Source: IMF

- The consumer price inflation rate in Bahrain at the end of 2016 was at 2.7%. The consumer price index inflation is likely to increase from 1.2% in 2017 to 1.6% in 2022.

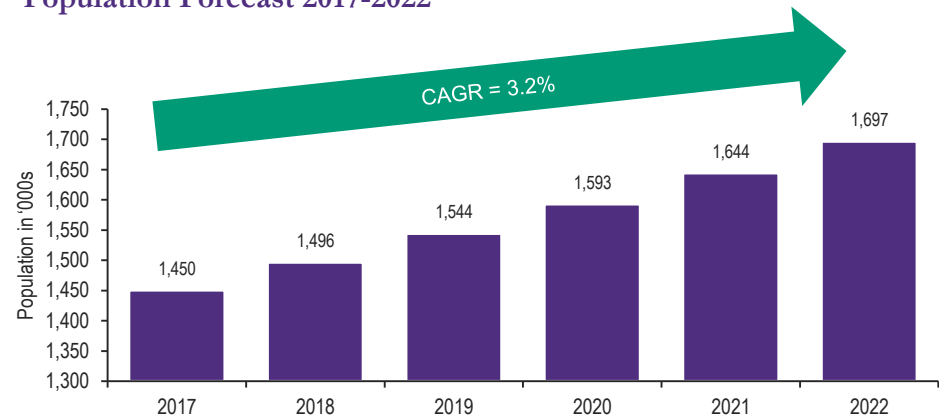
Bahrain demographic analysis breakdown

Population age and gender-wise segmentation - 2016



Source: Central Informatics Organization - Kingdom of Bahrain

Population Forecast 2017-2022



Source: Central Informatics Organization - Kingdom of Bahrain

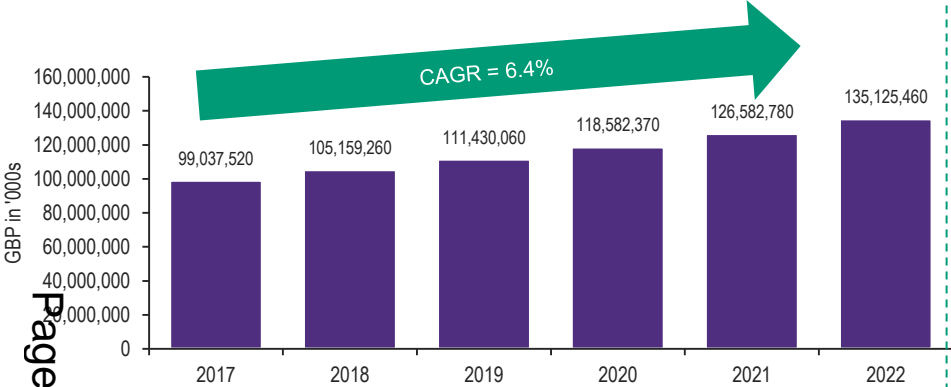
- Between 2011 and 2016, the population in the Kingdom of Bahrain increased from 1,195,020 to 1,423,726, a CAGR of around 3.56%.
- In 2023, the population in the Kingdom of Bahrain is forecast to reach 1,747,090, yielding a CAGR of around 3.2% (2017-2022)

Population segmentation analysis

- In 2016, the population aged 15 to 64 years comprised approximately 77.5% of the total.
- Males and females comprise 62.4% and 37.6% of the total population, respectively in 2016.
- The highest population in terms of age group of the total population stands between the ages of 30-34 of which 142,680 are male and 57,993 are female.

Kuwait economic trends

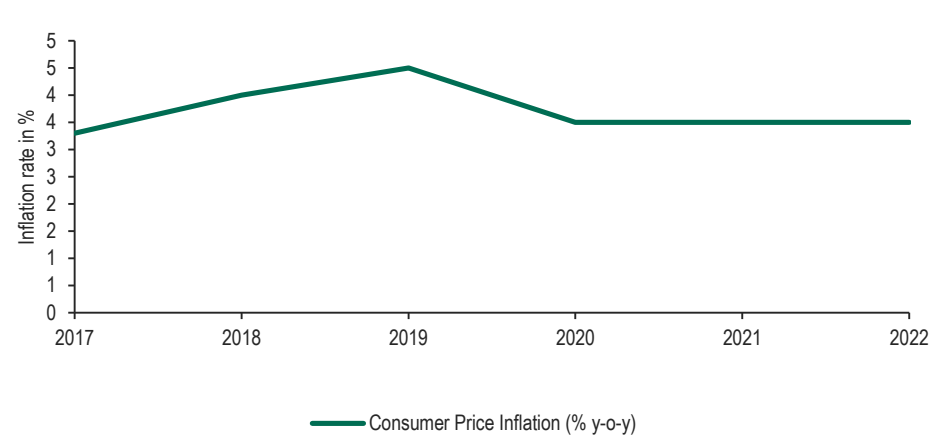
Nominal GDP Forecast



Source: IMF

- As per IMF forecast, the nominal GDP will grow from GBP 99 billion in 2017 to GBP 135.1 billion in 2022, a CAGR of 6.4%.
- The annual growth rate in 2017 was at 0.3% increasing to 2.7% in 2022. In 2018 the growth rate is expected to reach 3.0% and drop to as low as 2.3% in 2021, the lowest growth throughout the forecasted period.

Inflation Rate

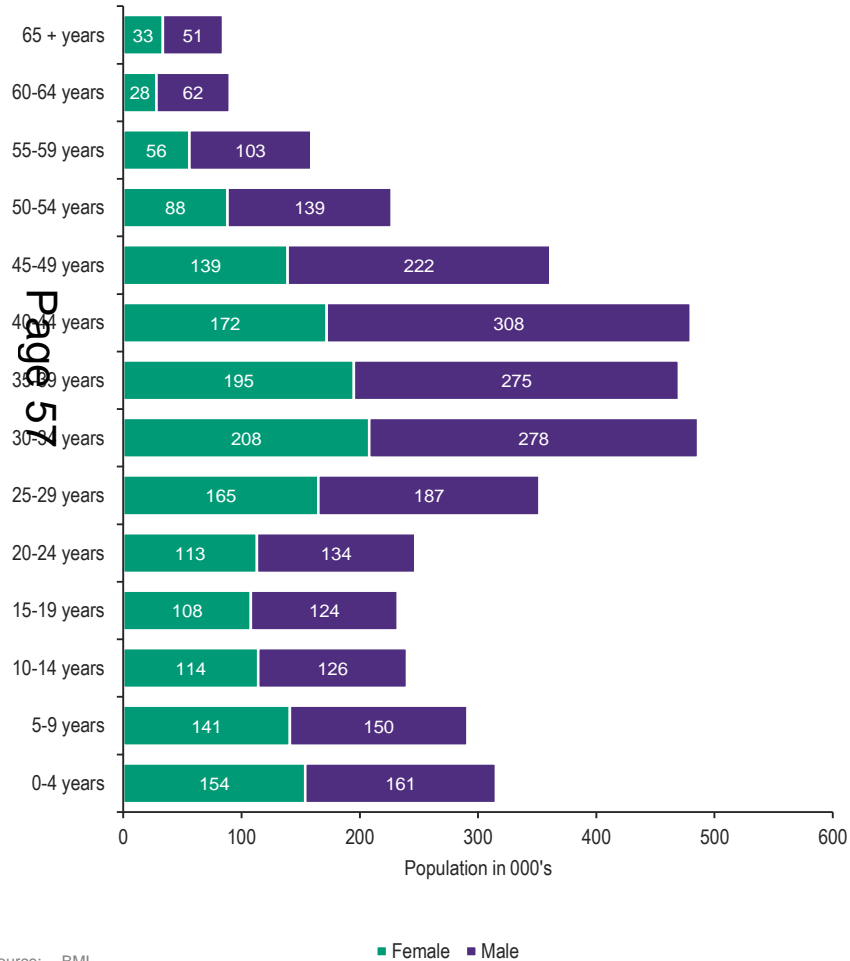


Source: BMI

- The inflation rate in Kuwait at the end of 2017 was at 3.3%. At the start of 2018 it was 4.0%, by 2022 the inflation rate is expected to decrease to 3.5%.
- The inflation index saw a constant increase from 171.2 in 2015, to 184.9 in 2017. The projections until 2022 is expected to follow in a similar path, and reach 218.

Kuwait demographic analysis breakdown

Population age and gender-wise segmentation - 2016



Population Forecast 2017-2022



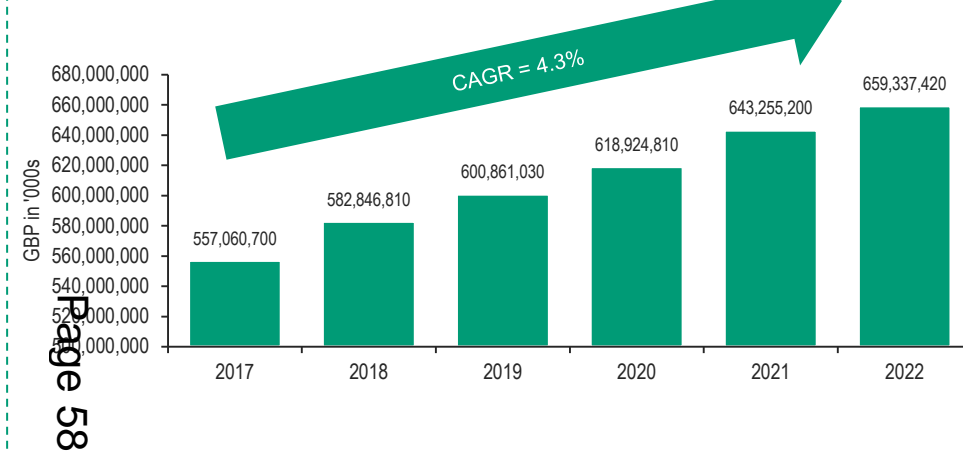
The population of Kuwait is expected to increase from 4,136,000 people in 2017 to 4,421,000 people in 2022, a CAGR of 1.3%

Population segmentation analysis

- In 2016, the population aged 30 to 44 years comprised approximately 30% of the total.
- Males and females comprise 56.9% and 43.1% of the total population, respectively in 2016.
- The highest population in terms of age group of the total population stands between the ages of 30-34 of which 278,000 are male and 208,000 are female.

Saudi Arabia economic trends

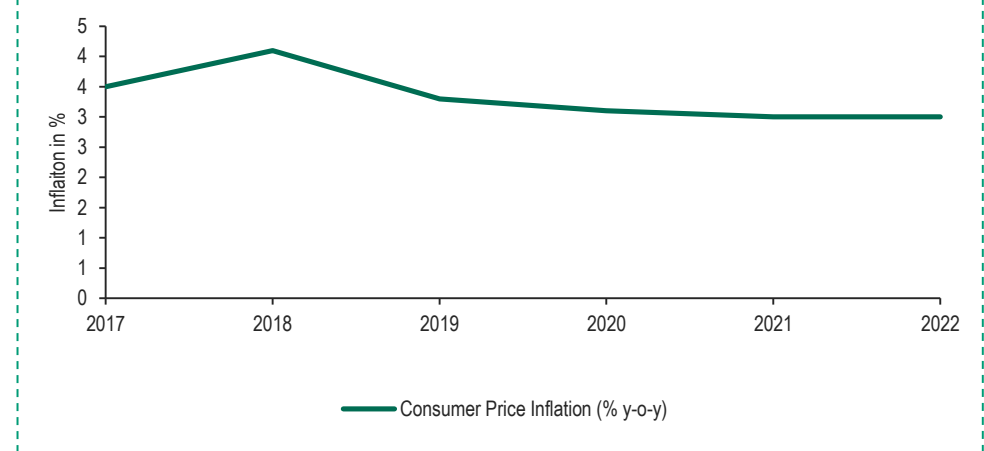
Nominal GDP Forecast



Source: IMF

- As per IMF forecast, the nominal GDP grew from GBP 557 billion in 2017 to GBP 659.3 billion in 2022, a CAGR of 4.3%.
- The annual growth rate in the beginning of 2018 is expected to be at 1.6% increasing to 2.3% in 2022. In 2019 the growth rate is expected to reach 2.0%.
- Lower oil prices and austerity measures are weighing on Saudi Arabia’s economy. However, the country’s blueprint for a transition away from oil dependency would help the fiscal deficit “narrow substantially in the coming years”.

Inflation Rate

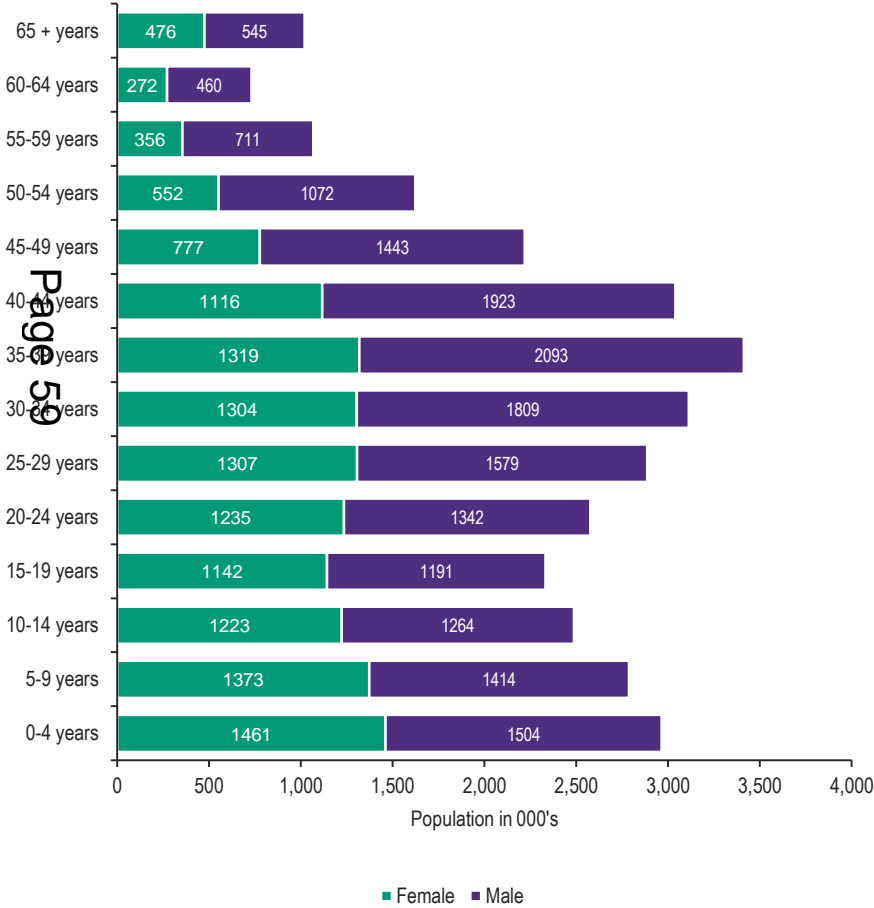


Source: BMI

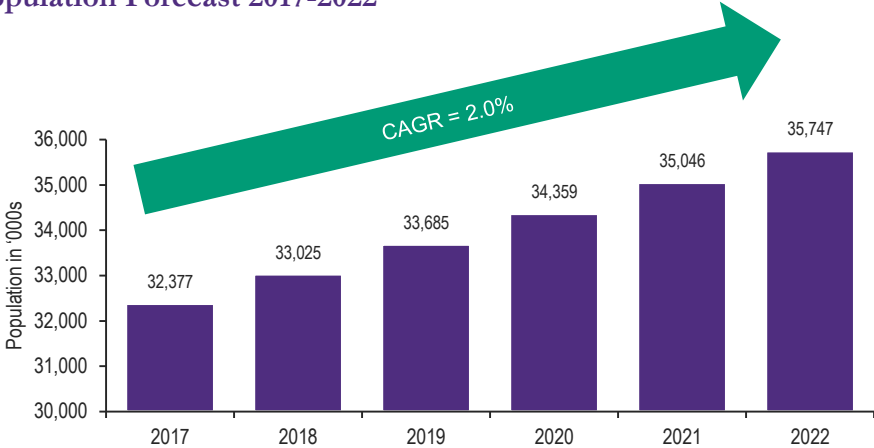
- The inflation rate in Saudi Arabia at the end of 2017 was at 3.5%. At the start of 2018 it was 4.1%, by 2022 the inflation rate is expected to decrease to 3.0%.
- The inflation index saw a constant increase from 132.9 in 2015, to 142.8 in 2017. The projections until 2021 is expected to follow in a similar path, and reach 162.8.

Saudi Arabia demographic analysis breakdown

Population age and gender-wise segmentation - 2016



Population Forecast 2017-2022



- The population of Kingdom of Saudi Arabia is expected to increase from 32,377,000 people in 2017 to 35,747,000 people in 2022, a CAGR of 2%.

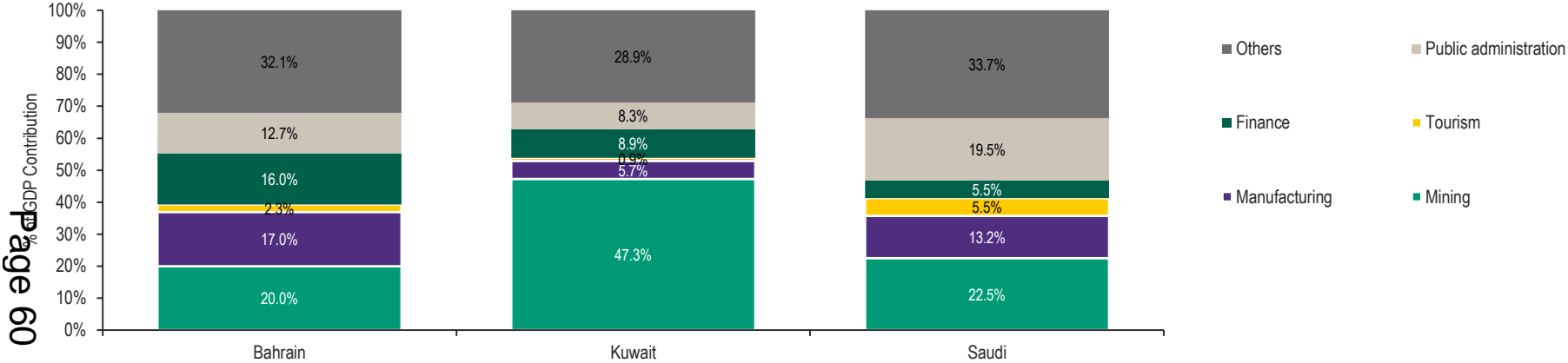
Population segmentation analysis

- In 2016, the population aged 30 to 44 years comprised approximately 30% of the total.
- Males and females comprise 56.9% and 43.1% of the total population, respectively in 2016.
- The highest population in terms of age group of the total population stands between the ages of 35-39 of which 2,093,000 are male and 1,319,000 are female.

Source: BMI

GDP Comparative

GDP Contribution for 2016, sector wise



Source: BMI

- Mining sector being the most dominant sector for all the three countries contributed 20%, 47.3% & 22.5% in 2016 to the GDP of Bahrain, Kuwait & Saudi Arabia respectively.
- Public administration contributed 12.7%, 8.3% and 19.5% in 2016 to the GDP of Bahrain, Kuwait & Saudi Arabia respectively.
- Manufacturing sector contributed 17%, 5.7% and 13.2% in 2016 to the GDP of Bahrain, Kuwait & Saudi Arabia respectively.
- Finance sector contributed 16%, 8.9% and 5.5% in 2016 to the GDP of Bahrain, Kuwait & Saudi Arabia respectively.
- The other sectors include Agriculture, Construction, Wholesale & Retail sector, Transportation & communication, Water supply, Real Estate sector, Education and Healthcare sector. They together contributed 32.1%, 28.9% and 33.7% to Bahrain, Kuwait and Saudi Arabia in 2016, respectively.

Market drivers for training and development in the GCC*

The key market drivers given in the table below apply equally and to all targeted markets of the JV namely, Bahrain, Kuwait and Saudi Arabia (Eastern Province).

Key market drivers in the GCC

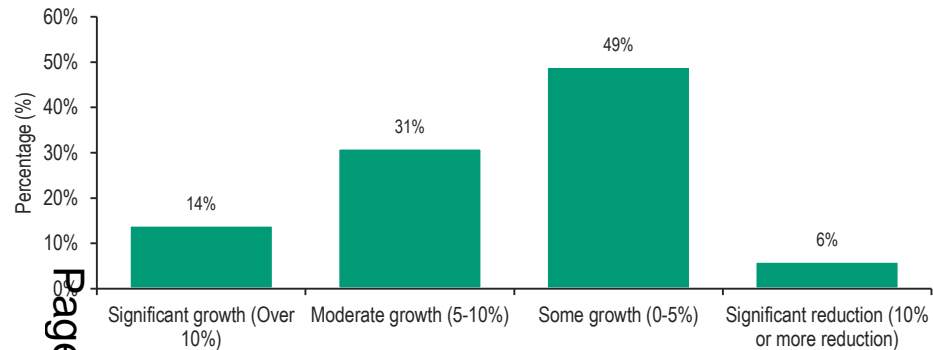
| Drivers | Description |
|--|---|
| Skills | <ul style="list-style-type: none"> Across GCC there is an urgent need to develop a workforce with technical skills primarily in industries like oil and gas, healthcare, construction, logistics, and hospitality. While the public sector offers considerable employment opportunities, the private sector is resistant to professionals who are inexperienced and not adequately skilled. The local population in GCC faces competition from expatriates who are increasingly preferred for high-earning and skilled occupations, for instance in financial services or managerial positions in manufacturing and trading companies. |
| Small population size | <ul style="list-style-type: none"> Apart from the lack of skills, another factor that exacerbates the existent skill gap is the small size of the population, albeit growing in most GCC countries that limits the available talent pool. Businesses will continue to hire skilled professionals from overseas. Therefore, it is essential that the local GCC population pursue vocational training to compete with the expatriate population and close the skill gap. |
| Soft skills | <ul style="list-style-type: none"> Another area of improvement is soft skills. In order to cope with the competition from expatriates, the population in GCC also needs to be equipped with soft skills for communication, negotiation, leadership, and teamwork. This has propelled the demand for professional training in soft skills as well in the GCC. |
| Educational quality improvement | <ul style="list-style-type: none"> Authorities have started focusing on increasing student enrollment and also improving the quality of education across all segments of the GCC education market. This has induced domestic institutions to enter into partnership agreements with reputed universities to impart greater quality technical education. |
| Vocational training for healthcare sector | <ul style="list-style-type: none"> Market research analysts at Technavio have predicted that the vocational training market in GCC will grow steadily at a CAGR of more than 14% by 2020. Due to extensive investments from governments, the healthcare sector is the fastest growing sector in the GCC. The growth of this sector also attributes to the rise in demand for quality healthcare, increasing income levels, and recent regulatory changes which make health insurance mandatory for employers. Though this market study estimates the increase in demand for quality healthcare services in GCC, the region still experiences a shortage of skilled medical staff. This will lead to the rise in demand for vocational education and training in healthcare-related fields in the coming years. |
| Nationalization programs | <ul style="list-style-type: none"> The Governments across the GCC are promoting nationalization in their respective labour market. The National Transformation Plan initiated by Saudi Arabia, focuses on securing technical positions for local nationals by imparting them necessary training (<i>both soft skills and technical</i>). This is expected to provide immense opportunities for the JV to expand and penetrate the training and consulting market. Similarly, in Bahraini government is also promoting training and professional certification funding through Tamkeen and ensuring the nationals enter the workforce. In addition, the government are imposing penalties on companies in countries like Bahrain, Saudi Arabia and Kuwait to ensure that the companies are promoting local national, which in turn in fuelling the training and development market growth in the region. |
| Focus on non-oil sectors across the GCC | <ul style="list-style-type: none"> Given the current market conditions and slow down in economies, the governments across the GCC are promoting industries to diversify from oil-based economies to non-oil based economies. This would imply that JV's with foreign partners would be promoted by the government of these economies as they would bring expertise and technical know-how to promote industrial and service revolution in the GCC region. |

Source: Technavio and Grant Thornton analysis
 Notes: * Extremely applicable to the markets the JV is targeting

Major human capital trends in the GCC

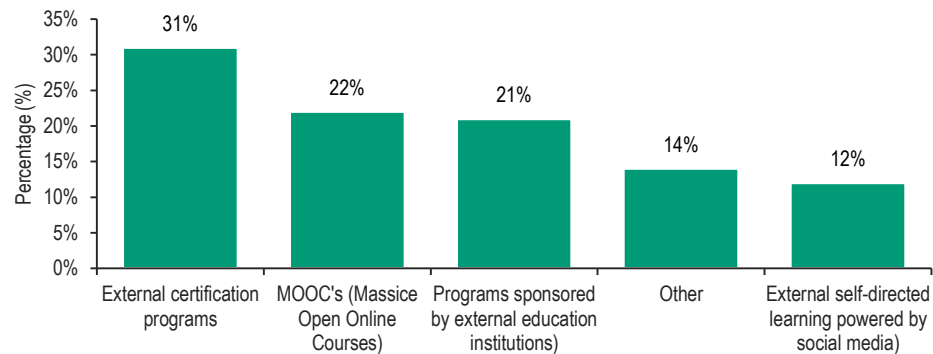
The major human capital trends below apply equally and generally across all three countries targeted by the JV within the GCC, Bahrain, Kuwait and Saudi Arabia (Eastern Province).

Plans for expanding and investing in leadership programs – 2016



Source: Middle-East Human Capital Trends Report 2016

Non-traditional means to support employee self development – 2016



Notes: Middle-East includes all GCC counties which comprise Saudi Arabia, Bahrain, Qatar, Kuwait, Oman, and United Arab Emirates
 Source: Middle-East Human Capital Trends Report 2016
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Organizational design, leadership, and learning in the GCC

- Organizational design is the number one human capital trend both globally and for the Middle East, as organizations are increasingly striving to become both more agile and customer-oriented. The survey shows that 54% of respondents in the Middle East claim to possess good to very good understanding of good practices in organization structure.
- Organizational design practices consist of tools and methods that help organizations assess the efficiency of their structures and their governance, and their ability to execute corporate strategies.
- The Middle East is increasingly aware of inclusion and diversity. Organizations are keen on investing in leaders from different segments of employee groups, with an emphasis on millennial and women.
- Middle East organizations are investing further in nationalization programs which are crucial in further up-skilling young nationals who are asked to take on large and critical responsibilities in organizations.
- Across the Middle East, learning ranks third as a top priority in terms of human capital trends in the Middle East as compared to fifth globally.
- The difference in ranking can be attributed to this being an emerging region with a workforce that is eager to grow and develop.
- Industries and sectors covered in the survey include the financial services which is the most represented. Other industries and sectors covered include:
 - Public sector
 - Consumer business
 - Energy and resources
 - Manufacturing
 - Life sciences and healthcare
 - Technology, telecommunications and media

Major human capital trends in the GCC (continued)

Major Human Capital Trends Globally and in the GCC

| Global ranking | GCC ranking |
|--------------------------|--------------------------|
| 1. Leadership | 1. Organizational design |
| 2. Organizational design | 2. Leadership |
| 3. Culture | 3. Learning |
| 4. Engagement | 4. Workforce Management |
| 5. Learning | 5. Engagement |
| 6. Design Thinking | 6. Culture |
| 7. Workforce Management | 7. Design Thinking |
| 8. Changing Skills of HR | 8. Digital HR |
| 9. HR analytics | 9. Changing Skills of HR |
| 10. Digital HR | 10. HR analytics |

Source: Middle-East Human Capital Trends Report 2016

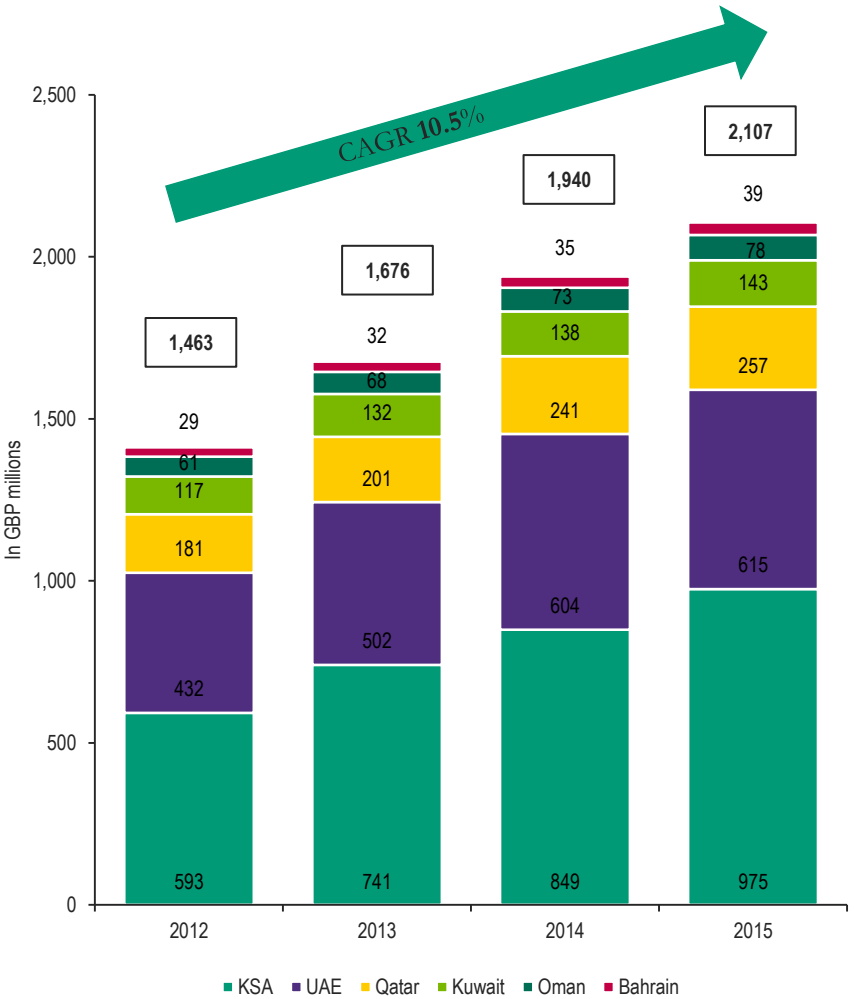
GCC consulting market analysis

Consulting market overview

- The consultancy market size of the GCC in 2015 accounted for around GBP 2.1 billion with Saudi Arabia contributing the largest chunk of around GBP 0.97 billion followed by UAE which forms around GBP 615 million and not far behind follows Qatar at around GBP 257 million. The remaining portion comprise Kuwait, Oman, and Bahrain with a contribution of around GBP 260 million.
- Saudi Arabia’s consulting market expanded 14.8% to GBP 0.97 billion during 2015, accounting for almost half of the GCC consulting market, which grew by 9.4% to GBP 2.1 billion, a report said. Although the GCC’s growth rate is still impressive in comparison to other global consulting markets, it is a markedly lower than the region has been used to (18.5% in 2013 and 15% in 2014), so the mood amongst its management consultants has changed as a result.
- Studies by Technavio have projected that Saudi Arabia will account for more than 87% of the total share of the vocational training market in GCC by 2020 and dominate this market throughout the forecast period 2017- 2020. The growth of the market is mainly attributed to the requirement of trained manpower across various sectors. Moreover, continuous government expenditures to develop the country’s human resources will also contribute to the growth of the market in this region.
- The low oil prices have been reported to have impacted the GCC’s entire consulting market, but the effect was felt especially keenly in Saudi Arabia, where it has hastened an already urgent programme of economic reform and diversification
- Other growth rates recorded across the GCC in 2015 included Qatar - up 6.6% to GBP 257 million, Kuwait - up 3.9% to GBP 143 million, and Oman - up 6.4% to GBP 77.6 million, and Bahrain - up by 11.4% to GBP 39 million.

Gerard Gallagher, managing partner at EY, added: “Saudi Arabia has clearly been challenged by declining oil revenues, political unrest, and a slowing down in the consulting market due to multinational firms deterring by late payment issues, but in response, the Kingdom is transforming itself on a scale and at a pace rarely seen on a national level. The soon-to-be-rolled-out National Transformation Program should drive economic diversification and enable social and developmental change across the country. We expect the consulting industry to be actively engaged in this process.”

GCC consultancy market size



Source: Trade Arabia

Market overview highlights

Key highlights

- In reference to GDP contribution, the mining sector (*petrochemical in particular*) is the most dominant sector across all the three markets contributing 20%, 47.3% & 22.5% in 2016 to the GDP of Bahrain, Kuwait and Saudi Arabia, respectively. Other sectors which form a significant portion of GDP include Agriculture, Construction, Wholesale & Retail sector, Transportation & communication, Water supply, Real Estate sector, Education and Healthcare sector which together contributed 32.1%, 28.9% and 33.7% to Bahrain, Kuwait and Saudi Arabia in 2016, respectively.
- The consultancy market size of the GCC in 2015 accounted for around GBP 2.1 billion with Saudi Arabia contributing the largest chunk of around GBP 1 billion followed by UAE at GBP 615 million. The remaining portion comprises of Qatar, Kuwait, Oman, and Bahrain with a contribution of around GBP 485 million.
- The three target markets indicate a need to develop and enhance its human resource across vocational training and other areas involving technical expertise. Both major human capital trends and authorities/government are focusing on filling the skill gap which cover Public sectors, Consumer business, Energy and resources, Manufacturing, Life sciences and healthcare, Technology, telecommunications and media across the GCC.
- Given the current market conditions and slow down in economies, the governments across the GCC are promoting industries to diversify from oil-based economies to non-oil based economies. This would imply that JV's with foreign partners would be promoted by the government of these economies as they would bring expertise and technical know-how to promote industrial and service revolution in the GCC region.
- Authorities and individuals are leaning towards leadership programmes and developing required set of skills through training programmes to implement in the corporate world.
- Moreover, there is an increase in demand for quality healthcare services in GCC, the region still experiences a shortage of skilled medical staff. This will lead to the rise in demand for vocational education and training in healthcare-related fields in the coming years.

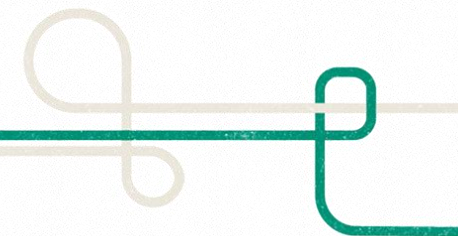
Market overview conclusion

Conclusion

- Entering the GCC will provide a huge opportunity to the JV in filling the existent market gap. This is evident through the nationalization programmes initiated by the government of all the three countries. Each of the governments are not only promoting but also emphasizing on promoting national labour force, which to create large opportunities for the JV to grow its business over near to medium term period.
- The market research performed and opportunities available across the GCC indicate that a significant market share can be secured by the JV in all three targeted markets which have proven to be quite dynamic, and in fact the JV can potentially expand into other economies across the GCC region.
- The JV could potentially target industries like oil and gas, healthcare, construction, logistics, and hospitality where there is an urgent need to develop a workforce with technical skills as the economies in all three countries have slowed down and shifted its focus to non-oil sectors which is a key prospect for the JV given its business nature. While the public sector offers considerable employment opportunities, the private sector is resistant to professionals who are inexperienced and not adequately skilled.
- The local population in GCC faces competition from expatriates who are increasingly preferred for high-earning and skilled occupations, for instance in financial services or managerial positions in manufacturing and trading companies.

Section 4: Financial projections

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |



Financial projections overview

Overview and assumptions

- The revenues have been projected for three regions namely Bahrain, Kuwait and Saudi Arabia (Eastern Province).
- The fees for training services are programme based which vary from 1 day (8 hours) programme for Entrepreneurship to 3 days (24 hour) programme for financial management. The training programme would cater to a larger audience in the range of around 10 – 30 professionals.
- The fees for the consulting services are assignment based, with the scope being defined at the start of each engagement. The engagement would range from weeks to few months.
- The fees for both training and consulting services have been inflated in Year 2 by 5%.
- Since the JV is expected to be based in Bahrain, this region is expected to substantially contribute to the overall revenues of the JV over near to medium term period.
- Bahrain is assumed to witness engagement of around 20 in Year 1 and expected to increase to around 29 in Year 2. On the other hand, Saudi Arabia and Kuwait are expected to witness similar engagements of around 16 and 15, respectively in Year 1.
 - The large contribution from Bahrain would mainly be on account of strong existing network of ASU both in the private as well as the government sector
 - While Saudi Arabia is the largest market amongst the three identified markets, there are linguistic challenges which would result in a below average assignment during initial years.
 - The consulting market in Kuwait stands at over 3.5 times that of the Bahrain. Given the relative bi-lingual population and resources in Kuwait, it is expected to contribute equally to the overall revenues of the JV.
- While the assumption limits the services across training and consulting provided by the JV, it could very well provide services over and above the ones listed in the projections and the financials.

Base case: Statement of comprehensive income

Statement of comprehensive income

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|---------------|----------------|----------------|----------------|----------------|
| Revenue from engagements | 395,760 | 644,742 | 741,453 | 852,671 | 980,572 |
| Cost of revenue | 197,880 | 322,371 | 370,727 | 426,336 | 490,286 |
| Gross profit | 197,880 | 322,371 | 370,727 | 426,336 | 490,286 |
| General and administrative expenses | (138,424) | (140,373) | (139,057) | (139,371) | (140,583) |
| EBITDA | 59,456 | 181,998 | 231,670 | 286,964 | 349,703 |
| Net profit / (loss) | 59,456 | 181,998 | 231,670 | 286,964 | 349,703 |
| Key ratios | | | | | |
| Gross profit margin | 50% | 50% | 50% | 50% | 50% |
| EBITDA margin | 15% | 28% | 31% | 34% | 36% |
| Net profit / (loss) margin | 15% | 28% | 31% | 34% | 36% |

Source: Grant Thornton analysis

Revenue

- The JV is expected to realize revenues of around GBP 395,760 in Year 1, which is expected to increase to around GBP 980,572 in Year 5.
- Net profits are expected to increase substantially from GBP 59,456 in Year 1 to GBP 349,703 in Year 5. The sharp rise in profits is largely on account of incremental increase in cost due to a lean cost structure of the JV.

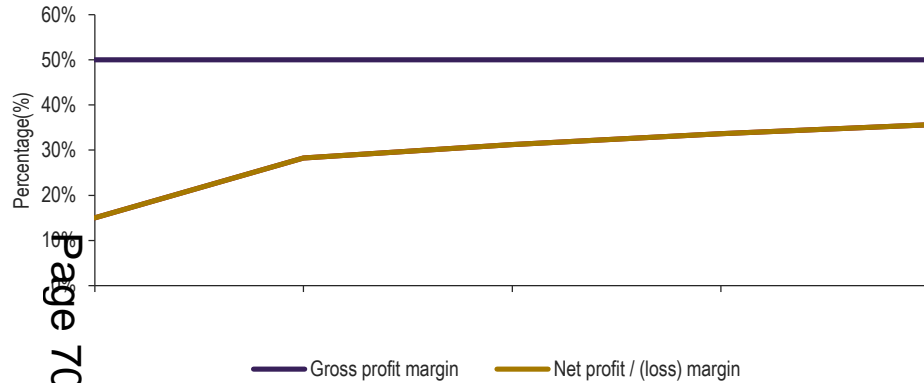
✓ These figures are expected to be achieved in view of the market research performed by Grant Thornton and its knowledgeable skill of the market acquired over the past 13 years.

Breakup of assignment and programme

| Particulars | Year 1 | Year 2 |
|---------------------------|-----------|-----------|
| Bahrain - training | 10 | 15 |
| Bahrain - consulting | 10 | 14 |
| Kuwait - training | 7 | 11 |
| Kuwait - consulting | 8 | 11 |
| Saudi Arabia - training | 8 | 13 |
| Saudi Arabia - consulting | 8 | 13 |
| Total | 51 | 77 |

Base case: Statement of comprehensive income analysis

Profitability

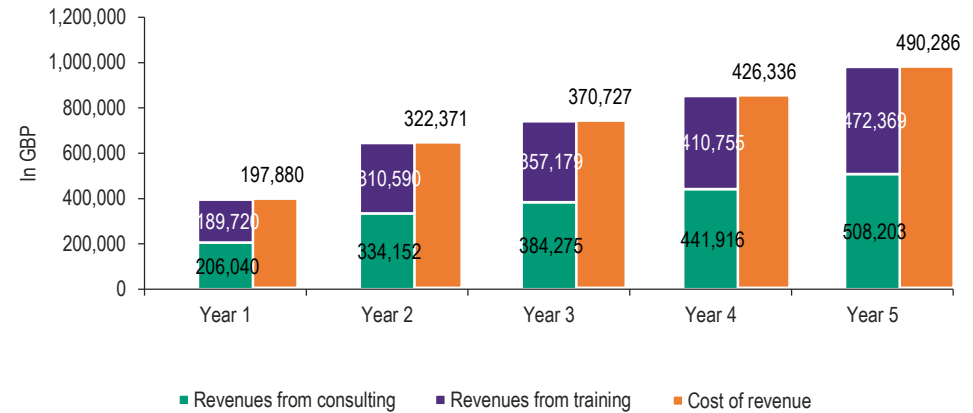


Source: Grant Thornton analysis

Revenue

- Revenue comprise from training and development engagements and consulting engagements from Bahrain, Kuwait, and Saudi Arabia (Eastern Province).
- The total revenue from engagement expected to be generated by the JV is projected to increase from GBP 395,760 in Year 1 to GBP 980,572 in Year 5, a CAGR of 25.5%
- The JV's net profit is expected to increase from GBP 59,456 in Year 1 to GBP 349,703 in Year 5, a CAGR of over 55.7%.
- The JV must generate revenues of around GBP 270,000 – GBP 290,000 in order to break-even and for the business to operate profitably.

Revenue vs. cost of revenue



Source: Grant Thornton analysis

Cost of revenue

- The cost of sales comprise the direct cost associated with the training and development service and the consulting services offered by the JV.
- Over the projected period, direct costs are assumed at 50% of total revenue which will cover the cost of the consultants/training lecturers executing the engagements.
- The cost of revenue is projected to increase from GBP 197,880 in Year 1 to GBP 490,286 in Year 5.

A breakdown of the number of engagements and their correspondent fee structure that is expected to be executed throughout the projection period (Year 1 to Year 5) in all three countries: Bahrain, Kuwait, and Saudi Arabia (Eastern Province) is given in the following page:

Base case: Bahrain revenue breakdown

Training services

In GBP

| Particulars | Year 1 | | Year 2 | | Year 1 | Year 2 |
|-------------------------|-------------------|--------------------|-------------------|--------------------|---------------|----------------|
| | Fee per programme | No. of engagements | Fee per programme | No. of engagements | Total income | Total income |
| Services | | | | | | |
| Leadership | 6,120 | 2 | 6,426 | 2 | 12,240 | 12,852 |
| Project Management | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Operations | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Strategy | 12,240 | 1 | 12,852 | 2 | 12,240 | 25,704 |
| Enterprise development | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Entrepreneurship | 4,080 | 1 | 4,284 | 2 | 4,080 | 8,568 |
| Financial management | 10,200 | 2 | 10,710 | 3 | 20,400 | 32,130 |
| Marketing | 6,120 | 1 | 6,426 | 2 | 6,120 | 12,852 |
| Change management | 8,160 | - | 8,568 | 1 | - | 8,568 |
| Training revenue | | 10 | | 15 | 73,440 | 119,952 |

Consulting services

In GBP

| Particulars | Year 1 | | Year 2 | | Year 1 | Year 2 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|---------------|----------------|
| | Fee per assignment | No. of engagements | Fee per assignment | No. of engagements | Total income | Total income |
| Services | | | | | | |
| Operations (Manufacturing) | 6,120 | 2 | 6,426 | 3 | 12,240 | 19,278 |
| Strategy | 16,320 | 1 | 17,136 | 1 | 16,320 | 17,136 |
| Business Growth | 10,200 | 2 | 10,710 | 3 | 20,400 | 32,130 |
| Research & Development | 6,120 | 3 | 6,426 | 5 | 18,360 | 32,130 |
| Entrepreneurship | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| IT management | 10,200 | 1 | 10,710 | 1 | 10,200 | 10,710 |
| Change management | 8,160 | - | 8,568 | - | - | - |
| Consulting revenue | | 10 | | 14 | 83,640 | 117,810 |

Total revenue expected from Bahrain

157,080

237,762

Base case: Kuwait revenue breakdown

Training services

In GBP

| Particulars | Year 1 | | Year 2 | | Year 1 | Year 2 |
|-------------------------|-------------------|--------------------|-------------------|--------------------|---------------|---------------|
| | Fee per programme | No. of engagements | Fee per programme | No. of engagements | Total income | Total income |
| Services | | | | | | |
| Leadership | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Project Management | 6,120 | 2 | 6,426 | 2 | 12,240 | 12,852 |
| Operations | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Strategy | 12,240 | - | 12,852 | 1 | - | 12,852 |
| Enterprise development | 6,120 | - | 6,426 | 1 | - | 6,426 |
| Entrepreneurship | 4,080 | 1 | 4,284 | 2 | 4,080 | 8,568 |
| Financial management | 10,200 | 2 | 10,710 | 2 | 20,400 | 21,420 |
| Marketing | 6,120 | - | 6,426 | 1 | - | 6,426 |
| Change management | 8,160 | - | 8,568 | - | - | - |
| Training revenue | | 7 | | 11 | 48,960 | 81,396 |

Consulting services

In GBP

| Particulars | Year 1 | | Year 2 | | Year 1 | Year 2 |
|---------------------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------|
| | Fee per assignment | No. of engagements | Fee per assignment | No. of engagements | Total income | Total income |
| Services | | | | | | |
| Operations | 6,120 | 3 | 6,426 | 3 | 18,360 | 19,278 |
| Strategy | 16,320 | - | 17,136 | 1 | - | 17,136 |
| Business Growth | 10,200 | 1 | 10,710 | 1 | 10,200 | 10,710 |
| Research & Development | 6,120 | 2 | 6,426 | 3 | 12,240 | 19,278 |
| Entrepreneurship | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| IT management | 10,200 | 1 | 10,710 | 1 | 10,200 | 10,710 |
| Change management | 8,160 | - | 8,568 | 1 | - | 8,568 |
| Consulting revenue | | 8 | | 11 | 57,120 | 92,106 |

Total revenue expected from Kuwait

106,080

173,502

Base case: Saudi Arabia (Eastern Province) revenue breakdown

Training services

In GBP

| Particulars | Year 1 | | Year 2 | | Year 1 | Year 2 |
|-------------------------|-------------------|--------------------|-------------------|--------------------|---------------|----------------|
| | Fee per programme | No. of engagements | Fee per programme | No. of engagements | Total income | Total income |
| Services | | | | | | |
| Leadership | 6,120 | 1 | 6,426 | 2 | 6,120 | 12,852 |
| Project Management | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Operations | 6,120 | 1 | 6,426 | 1 | 6,120 | 6,426 |
| Strategy | 12,240 | 1 | 12,852 | 1 | 12,240 | 12,852 |
| Enterprise development | 6,120 | - | 6,426 | 1 | - | 6,426 |
| Entrepreneurship | 4,080 | - | 4,284 | - | - | - |
| Financial management | 10,200 | 3 | 10,710 | 4 | 30,600 | 42,840 |
| Marketing | 6,120 | 1 | 6,426 | 2 | 6,120 | 12,852 |
| Change management | 8,160 | - | 8,568 | 1 | - | 8,568 |
| Training revenue | | 8 | | 13 | 67,320 | 109,242 |

Consulting services

In GBP

| Particulars | Year 1 | | Year 2 | | Year 1 | Year 2 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|---------------|----------------|
| | Fee per assignment | No. of engagements | Fee per assignment | No. of engagements | Total income | Total income |
| Services | | | | | | |
| Operations (Manufacturing) | 6,120 | 2 | 6,426 | 2 | 12,240 | 12,852 |
| Strategy | 16,320 | - | 17,136 | 1 | - | 17,136 |
| Business Growth | 10,200 | 2 | 10,710 | 3 | 20,400 | 32,130 |
| Research & Development | 6,120 | 2 | 6,426 | 2 | 12,240 | 12,852 |
| Entrepreneurship | 6,120 | - | 6,426 | 1 | - | 6,426 |
| IT management | 10,200 | 2 | 10,710 | 4 | 20,400 | 42,840 |
| Change management | 8,160 | - | 8,568 | - | - | - |
| Consulting revenue | | 8 | | 13 | 65,280 | 124,236 |

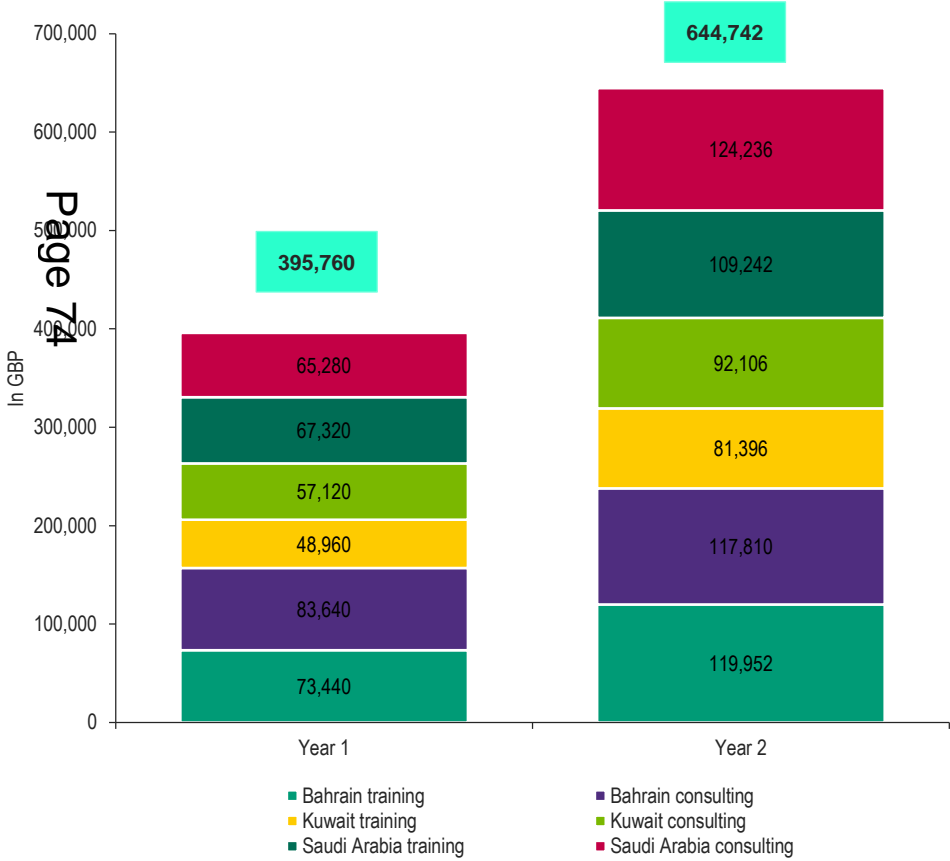
Total revenue expected from Saudi Arabia (Eastern Province)

132,600

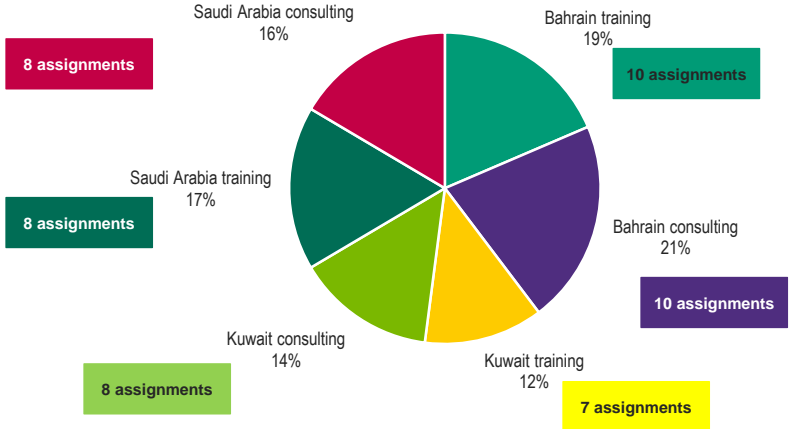
233,478

Revenue breakup overview

Revenue breakup by country and services offered

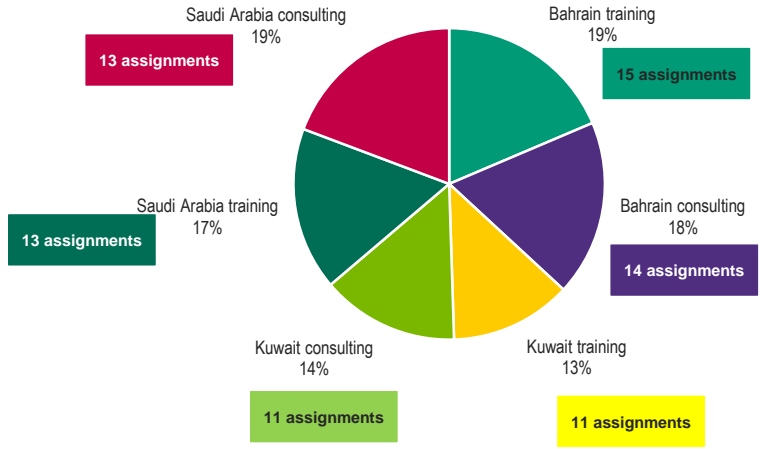


Year 1 revenue and assignments breakup



Source: Grant Thornton analysis

Year 2 revenue and assignments breakup



Source: Grant Thornton analysis

Base case: Statement of comprehensive income analysis

General and administrative expenses

- General and administrative expenses associated with the JV comprise indirect employees expenses which cover the Chief Operating Officer and administrator salaries, the support service fees paid to ASU alongside the physical office space and expenses, employee medical insurance, and miscellaneous expenses (Travelling allowances).
- General and administrative expenses throughout the project period Year 1 to Year 5 are expected to increase from GBP 138,424 to GBP 140,583, a CAGR of 0.4%.
- A breakdown of the general and administrative expenses between Year 1 and Year 5 are shown in the table below:

General and administrative expenses breakdown

In GBP

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|----------------|----------------|----------------|----------------|----------------|
| Employee costs | 97,461 | 99,410 | 101,398 | 103,426 | 105,495 |
| ASU support service fees | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 |
| Office expense | 6,120 | 6,120 | 6,120 | 6,120 | 6,120 |
| Employee insurance | 1,224 | 1,224 | 1,224 | 1,224 | 1,224 |
| Miscellaneous expense (Travelling allowance) | 13,219 | 13,219 | 9,914 | 8,201 | 7,344 |
| Total | 138,424 | 140,373 | 139,057 | 139,371 | 140,583 |

Source: Grant Thornton analysis

- Employees GOSI (Saving scheme), indemnity, visa expenses, Labor Market Regulatory Authority (LMRA), and annual airfare entitlement have been assumed inclusive of indirect employee costs.

Travelling expenses

Travelling expenses comprise hotel expenses and airfare expenses.

- Hotel expenses have been assumed at around GBP 163 per night for both Kuwait and Saudi Arabia travels on the basis of 20 nights and 36 nights spent in travelling for Kuwait and Saudi Arabia accordingly.

- Travels are assumed to decrease throughout the projections period as more market share is occupied by the JV and reaching 3 and 6 for Kuwait and Saudi Arabia.
- Airfare prices to Kuwait have been assumed at GBP 306.
- The local travel undertaken by the employee are already covered as part of compensation in employee cost.

Travelling allowances

- A breakdown of the Chief Operating Officer travelling operations to Kuwait and Saudi Arabia and related allowance is given in the tables below:

COO travelling expenses (Kuwait)

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|--------------|--------------|--------------|--------------|--------------|
| Number of travels | 4 | 4 | 3 | 3 | 3 |
| Number of nights spent in travelling country | 20 | 20 | 12 | 10 | 10 |
| Hotel accommodation expenses (In GBP) | 3,264 | 3,264 | 1,958 | 1,632 | 1,632 |
| Total airfare expense (In GBP) | 1,224 | 1,224 | 918 | 918 | 918 |
| Travelling allowance for COO (In GBP) | 1,020 | 1,020 | 612 | 510 | 510 |
| Total accommodation expense | 5,508 | 5,508 | 3,488 | 3,060 | 3,060 |

Source: Grant Thornton analysis

COO travelling expenses (Saudi Arabia)

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|--------------|--------------|--------------|--------------|--------------|
| Number of travels | 12 | 12 | 10 | 8 | 6 |
| Number of nights spent in travelling country | 36 | 36 | 30 | 24 | 20 |
| Travelling allowance for COO (In GBP) | 1,836 | 1,836 | 1,530 | 1,224 | 1,020 |
| Hotel accommodation expenses (In GBP) | 5,875 | 5,875 | 4,896 | 3,917 | 3,264 |
| Total travelling expenses | 7,711 | 7,711 | 6,426 | 5,141 | 4,284 |

Source: Grant Thornton analysis

Base case: Statement of financial position

Statement of financial position

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------------|----------------|----------------|----------------|----------------|------------------|
| Current assets | | | | | |
| Receivables | 16,264 | 26,496 | 30,471 | 35,041 | 40,297 |
| Cash | 149,253 | 325,160 | 557,080 | 848,093 | 1,201,331 |
| Total current assets | 165,517 | 351,656 | 587,551 | 883,134 | 1,241,629 |
| Total assets | 165,517 | 351,656 | 587,551 | 883,134 | 1,241,629 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Capital | 102,000 | 102,000 | 102,000 | 102,000 | 102,000 |
| Accumulated losses/retained earning | 59,456 | 241,453 | 473,123 | 760,088 | 1,109,791 |
| Total equity | 161,456 | 343,453 | 575,123 | 862,088 | 1,211,791 |
| Non-current liabilities | | | | | |
| Employees' end of service benefits | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |
| Total non-current liabilities | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |
| Total liabilities | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |
| Total liabilities and equity | 165,517 | 351,656 | 587,551 | 883,134 | 1,241,629 |

Working capital assumptions

- Receivables are estimated to at 15 days between Year 1 and Year 5, receivables are projected to increase from GBP 16,264 to GBP 40,297 between the period for receivable collection.

Capital introduced

- A total capital of BD 50,000 equivalent to GBP 102,000 is assumed to be required in Year 1 to operate the JV.

Employee's terminal benefits

- The employee's terminal benefits are projected at 15 days of basic salary for every year of completed service for the first three years of operations and 30 days of basic salary thereafter. The employee's terminal benefits are projected to increase from GBP 4,061 in Year 1 to GBP 29,838 in Year 5.

Notes: Initial capital requirement to establish the JV has been anticipated at GBP 102,000 or BHD 50,000

Source: Grant Thornton analysis

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Base case: Cash flow statements

Statement of cash flows

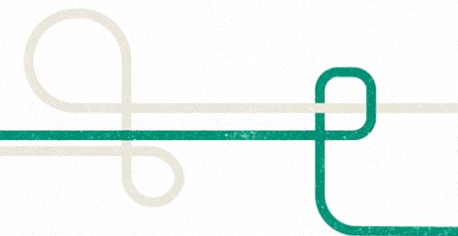
In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|----------------|----------------|----------------|----------------|------------------|
| Operating activities | | | | | |
| Profit for the year | 59,456 | 181,998 | 231,670 | 286,964 | 349,703 |
| Changes in operating assets and liabilities | | | | | |
| Change in receivables | (16,264) | (10,232) | (3,974) | (4,571) | (5,256) |
| Change in employee terminal benefit | 4,061 | 4,142 | 4,225 | 8,619 | 8,791 |
| Net cash generated from operating activities | 47,253 | 175,908 | 231,920 | 291,013 | 353,238 |
| Net cash used in investing activities | | | | | |
| Financing activities | | | | | |
| Share capital introduced | 102,000 | - | - | - | - |
| Net cash used in financing activities | 102,000 | - | - | - | - |
| Net change in cash and cash equivalents | 149,253 | 175,908 | 231,920 | 291,013 | 353,238 |
| Cash and cash equivalents, beginning of the year | - | 149,253 | 325,160 | 557,080 | 848,093 |
| Cash and cash equivalents, end of the year | 149,253 | 325,160 | 557,080 | 848,093 | 1,201,331 |

Source: Grant Thornton analysis

Section 4: Financial projections

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |



Scenario 1 (Optimistic): Statement of comprehensive income

Statement of comprehensive income

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue from engagements | 693,600 | 1,017,450 | 1,170,068 | 1,345,578 | 1,547,414 |
| Cost of revenue | 346,800 | 508,725 | 585,034 | 672,789 | 773,707 |
| Gross profit | 346,800 | 508,725 | 585,034 | 672,789 | 773,707 |
| General and administrative expenses | (138,424) | (140,373) | (139,057) | (139,371) | (140,583) |
| EBITDA | 208,376 | 368,352 | 445,977 | 533,418 | 633,124 |
| Net profit / (loss) | 208,376 | 368,352 | 445,977 | 533,418 | 633,124 |
| Key ratios | | | | | |
| Gross profit margin | 50% | 50% | 50% | 50% | 50% |
| EBITDA margin | 30% | 36% | 38% | 40% | 41% |
| Net profit / (loss) margin | 30% | 36% | 38% | 40% | 41% |

Source: Grant Thornton analysis

Overview and assumptions

- The fees for training and consulting services are assumed the same as in the base case scenario.
- Bahrain is assumed to witness engagements of around 33 in Year 1 and expected to increase to around 43 in Year 2. On the other hand, Saudi Arabia and Kuwait are expected to witness similar engagements of around 27 and 25, respectively in Year 1.
- The following assumptions have been considered for arriving at the optimistic projections:
 - ✓ The optimistic approach presents the JV's initial revenues aspirations based on the figures provided by ASU and the assumptions prepared and substantiated by Grant Thornton's expertise.
 - ✓ The COO would be from an existing strong brand with strong network and would be instrumental in sourcing assignment and engagements for both training and consulting.
 - ✓ The partner in the JV, namely ASU would also utilize considerable source to seek assignments and engagements across the Bahrain market.
 - ✓ The JV would take off successfully across the three large markets, which have seen a CAGR growth of over 10% in the consulting sector over the past 5 years ending 2015.

Breakup of assignment and programme

| Particulars | Year 1 | Year 2 |
|---------------------------|-----------|------------|
| Bahrain - training | 19 | 25 |
| Bahrain - consulting | 14 | 18 |
| Kuwait - training | 13 | 20 |
| Kuwait - consulting | 12 | 17 |
| Saudi Arabia - training | 13 | 21 |
| Saudi Arabia - consulting | 14 | 18 |
| Total | 85 | 119 |

Source: Grant Thornton analysis

Scenario 1 (Optimistic): Statement of financial position

Statement of financial position

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------------|----------------|----------------|------------------|------------------|------------------|
| Current assets | | | | | |
| Receivables | 28,504 | 41,813 | 48,085 | 55,298 | 63,592 |
| Cash | 285,933 | 645,117 | 1,089,047 | 1,623,871 | 2,257,492 |
| Total current assets | 314,437 | 686,930 | 1,137,132 | 1,679,169 | 2,321,084 |
| Total assets | 314,437 | 686,930 | 1,137,132 | 1,679,169 | 2,321,084 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Capital | 102,000 | 102,000 | 102,000 | 102,000 | 102,000 |
| Accumulated losses/retained earnings | 208,376 | 576,727 | 1,022,704 | 1,556,122 | 2,189,246 |
| Total equity | 310,376 | 678,727 | 1,124,704 | 1,658,122 | 2,291,246 |
| Non-current liabilities | | | | | |
| Employees' end of service benefits | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |
| Total non-current liabilities | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |
| Total liabilities | 4,061 | 8,203 | 12,428 | 21,047 | 29,838 |
| Total liabilities and equity | 314,437 | 686,930 | 1,137,132 | 1,679,169 | 2,321,084 |

Source: Grant Thornton analysis

Scenario 1 (Optimistic): Cash flows statement

Statement of cash flows

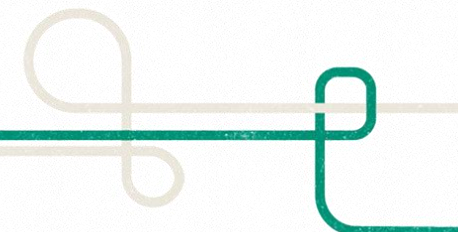
In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|----------------|----------------|------------------|------------------|------------------|
| Operating activities | | | | | |
| Profit for the year | 208,376 | 368,352 | 445,977 | 533,418 | 633,124 |
| Changes in operating assets and liabilities | | | | | |
| Change in receivables | (28,504) | (13,309) | (6,272) | (7,213) | (8,295) |
| Change in employee terminal benefit | 4,061 | 4,142 | 4,225 | 8,619 | 8,791 |
| Net cash generated from operating activities | 183,933 | 359,185 | 443,930 | 534,824 | 633,621 |
| Net cash used in investing activities | | | | | |
| Financing activities | | | | | |
| Share capital introduced | 102,000 | - | - | - | - |
| Net cash used in financing activities | 102,000 | - | - | - | - |
| Net change in cash and cash equivalents | 285,933 | 359,185 | 443,930 | 534,824 | 633,621 |
| Cash and cash equivalents, beginning of the year | - | 285,933 | 645,117 | 1,089,047 | 1,623,871 |
| Cash and cash equivalents, end of the year | 285,933 | 645,117 | 1,089,047 | 1,623,871 | 2,257,492 |

Source: Grant Thornton analysis

Section 4: Financial projections

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |



Scenario 2 (Pessimistic): Statement of comprehensive income

Statement of comprehensive income

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|-----------------|---------------|---------------|---------------|----------------|
| Revenue from engagements | 173,400 | 374,850 | 412,335 | 453,569 | 498,925 |
| Cost of revenue | 86,700 | 187,425 | 206,168 | 226,784 | 249,463 |
| Gross profit | 86,700 | 187,425 | 206,168 | 226,784 | 249,463 |
| General and administrative expenses | (138,424) | (140,373) | (139,057) | (139,371) | (140,583) |
| EBITDA | (51,724) | 47,052 | 67,111 | 87,413 | 108,880 |
| Net profit / (loss) | (51,724) | 47,052 | 67,111 | 87,413 | 108,880 |
| Key ratios | | | | | |
| Gross profit margin | 50% | 50% | 50% | 50% | 50% |
| EBITDA margin | -30% | 13% | 16% | 19% | 22% |
| Net profit / (loss) margin | -30% | 13% | 16% | 19% | 22% |

Source: Grant Thornton analysis

Overview and assumptions

- The fees for training and consulting services are assumed the same as in the base case scenario.
- Bahrain is assumed to witness engagement of around 10 in Year 1 and expected to increase to around 18 in Year 2. On the other hand, Saudi Arabia and Kuwait are expected to witness similar engagements of around 6 and 8, respectively in Year 1.
- The following assumptions have been considered for arriving at the optimistic projections:

✓ The pessimistic approach has been provided with more cautious figures based on Grant Thornton's experience and knowledge of the market such that the JV would find considerable difficulties in penetrating the training and consulting services market in the 3 targeted countries.

- ✓ The Saudi Arabia market would witness substantially lower assignments on account of absence of macro and demographic challenges

Breakup of assignment and programme

| Particulars | Year 1 | Year 2 |
|---------------------------|-----------|-----------|
| Bahrain - training | 5 | 10 |
| Bahrain - consulting | 5 | 8 |
| Kuwait - training | 4 | 9 |
| Kuwait - consulting | 4 | 8 |
| Saudi Arabia - training | 2 | 7 |
| Saudi Arabia - consulting | 4 | 8 |
| Total | 24 | 50 |

Scenario 2 (Pessimistic): Statement of financial position

Statement of financial position

In GBP

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------------|---------------|----------------|----------------|----------------|----------------|
| Current assets | | | | | |
| Receivables | 7,126 | 15,405 | 16,945 | 18,640 | 20,504 |
| Cash | 44,748 | 85,135 | 151,572 | 239,059 | 347,878 |
| Total current assets | 51,874 | 100,540 | 168,517 | 257,698 | 368,381 |
| Total assets | 51,874 | 100,540 | 168,517 | 257,698 | 368,381 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Capital | 102,000 | 102,000 | 102,000 | 102,000 | 102,000 |
| Accumulated losses/retained earnings | (51,724) | (4,673) | 62,438 | 149,851 | 258,731 |
| Total equity | 50,276 | 97,327 | 164,438 | 251,851 | 360,731 |
| Non-current liabilities | | | | | |
| Employees' end of service benefits | 1,598 | 3,213 | 4,079 | 5,847 | 7,651 |
| Total non-current liabilities | 1,598 | 3,213 | 4,079 | 5,847 | 7,651 |
| Total liabilities | 1,598 | 3,213 | 4,079 | 5,847 | 7,651 |
| Total liabilities and equity | 51,874 | 100,540 | 168,517 | 257,698 | 368,381 |

Source: Grant Thornton analysis

Scenario 2 (Pessimistic): Cash flows statement

Statement of cash flows

In GBP

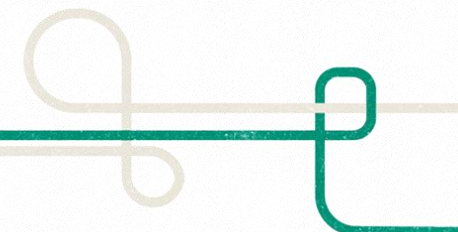
| Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|-----------------|---------------|----------------|----------------|----------------|
| Operating activities | | | | | |
| Profit for the year | (51,724) | 47,052 | 67,111 | 87,413 | 108,880 |
| Changes in operating assets and liabilities | (51,724) | 47,052 | 67,111 | 87,413 | 108,880 |
| Change in receivables | (7,126) | (8,279) | (1,540) | (1,695) | (1,864) |
| Change in employee terminal benefit | 1,598 | 1,615 | 867 | 1,768 | 1,803 |
| Net cash generated from operating activities | (57,252) | 40,387 | 66,437 | 87,487 | 108,819 |
| Net cash used in investing activities | | | | | |
| Financing activities | | | | | |
| Share capital introduced | 102,000 | - | - | - | - |
| Net cash used in financing activities | 102,000 | - | - | - | - |
| Net change in cash and cash equivalents | 44,748 | 40,387 | 66,437 | 87,487 | 108,819 |
| Cash and cash equivalents, beginning of the year | - | 44,748 | 85,135 | 151,572 | 239,059 |
| Cash and cash equivalents, end of the year | 44,748 | 85,135 | 151,572 | 239,059 | 347,878 |

Source: Grant Thornton analysis

Section 5: Conclusion

| |
|---------------------------------------|
| 01. Executive summary |
| 02. Business Overview |
| 03. Market overview and opportunities |
| 04. Financial projections |
| Base case |
| Scenario 1 (Optimistic) |
| Scenario 2 (Pessimistic) |
| 05. Conclusion |

Page 86



Conclusion

Entry through JV

- Its prudent and wise for an international player to enter the Bahrain market through a JV with a local player as they will be able to benefit from support and subsidies relating to professional services once linked with a local partner. (Tamkeen schemes)
- Entering through a joint venture will give LSBU a competitive advantage over the existing parties in the market given an existing infrastructure in place, offering human resource through a pool of both LSBU and ASU tour partners, a relatively leaner cost structure, and specialised sales and marketing channels using a Chief Operating Officer's expertise.
- Entering a joint venture will also help international players benefit from both ASU's strong client-networking within government and private sectors and LSBU status as the UK's Entrepreneurial University of the Year which will boost the establishments credibility and facilitate the process of capturing market share.

Market opportunities

- The three target markets indicate a need to develop and enhance its human resource across vocational training and other areas involving technical expertise. Both major human capital trends and authorities/government are focusing on filling the skill gap in the three targeted markets, Bahrain, Kuwait, Saudi Arabia (Eastern-province).
- The market research performed and opportunities available across the GCC indicate that a significant market share can be secured by the JV in all three targeted markets which have proven to be quite dynamic, and in fact the JV can potentially expand into other economies across the GCC region.
- The JV should target industries like oil and gas, healthcare, construction, logistics, and hospitality where there is an urgent need to develop a workforce with technical skills as the economies in all three countries have slowed down and shifted its focus to non-oil sectors due to the drop in oil prices in the GCC which is a key prospect for the JV given its business nature.

Strong growth potential

- Saudi Arabia is promoting jobs for its nationals through the National Transformation Plan, for which the government would require to impart a substantial amount of training to its nationals resulting in a huge opportunity for the JV.
- Similarly countries like Bahrain too, are promoting jobs for its locals by funding scheme like Tamkeen which provide huge potential for the JV to grow over nearer to medium term.
- The entire GCC region is shifting from the oil based revenues to the non-oil based revenues which implies substantial opportunities in the space of consulting, as companies would seek expertise from experienced consultants from developed economies like the UK to compete with players in the market.



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|------------------|--|
| | CONFIDENTIAL |
| Paper title: | Recruitment Agency |
| Board/Committee: | South Bank University Enterprises Ltd |
| Date of meeting: | 10 October 2017 |
| Author: | Sukaina Jeraj |
| Purpose: | Decision |
| Recommendation: | <ol style="list-style-type: none">1. Pensions: To use the Keystone pension provider for temporary staff assigned to the recruitment agency.2. Rate Cards: To use the rate card with Keystone's pension and a 9% mark up for operational use in the Recruitment Agency for LSBU temporary staff.3. Website Footer: To approve footer sentence for the recruitment agency. |

Recruitment Agency

- 1. Executive Summary**
- 2. Pension Options**
- 3. Rate Cards (Information to follow)**
- 4. Website Footer**

1. Executive Summary from Business Case - For Information

2. Pension options - For Decision

Decision on using SBUEL or Keystone Pension.

The Keystone pension provider is at a lower cost to the recruitment agency than the current SBUEL pension arrangements. Advice has been sought from Eversheds on using an alternative pension provider. We are able to use Keystone's provider if we wish.

Keystone Pension: Managed through Now Pensions (www.nowpensions.com)

Flat rate of employer and employee contributions to the Scheme

| | Employer | Employee | Total |
|--------------------|----------|----------|-------|
| Oct 2017- Oct 2018 | 2% | 3% | 5% |
| Oct 2018 - | 3% | 5% | 8% |

SBUEL Pension: Managed by Friends Life (www.aviva.co.uk/friends-life)

Scheme offers a matched contribution structure and two contribution bands

| | Employer | Employee | Total |
|--------|----------|----------|-------|
| Band 1 | 3% | 6% | 9% |
| Band 2 | 6% | 9% | 15% |

Recommendation: The board approve agency workers receiveing pension provisions via Keystone's provider.

3. Rate Cards – For Decision

The rate cards have been created for Hiring Managers at LSBU, including a 9% markup for the Recruitment Agency. The rate card also takes into account the cost of external payroll provision.

- Rate card with Keystone Pension: This offers a discounted rate to LSBU compared to using Addecco

- Rate card with SBUEL Pension : This offers a discounted rate to LSBU, but is more expensive than Addecco due to increased cost of pension provision.

Reccomendation: The Board is requested to approve the rate card with Keystone's pension and a 9% mark up for operational use in the Recruitment Agency, for LSBU hiring managers.

4. Website Footer – For Decision

The following wording will go in the footer of the recruitment agency website:

LSBU Employment is trading style of South Bank University Enterprises Ltd registered in the UK 020307211. LSBU Employment acts as an Employment Business in respect of temporary vacancies and as an Employment Agency in respect of permanent vacancies.

Recommendation: The Board is requested to approve this sentence for the recruitment agency.

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Page
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and Confidential
July 2017
Draft v0.7*

Outline Business Case (OBC)

for the creation of South Bank
Employment Agency

STRICTLY CONFIDENTIAL – FOR LSBU INTERNAL USE ONLY

Contents

Page 94

| Section | Pages |
|---|--------------|
| 1. Background and Context | 4 |
| 2. Strategic Case | 6 |
| 3. Financial Case | 15 |
| 4. Management Case | 18 |
| 5. Commercial Case | 21 |
| 6. Conclusion and Recommendation | 23 |
| Appendices | 26 |

Purpose of this document

This document provides analyses to determine the future direction of the creation of an Employment Agency as part of London South Bank University Group.

Some preliminary work has already been undertaken on this initiative and a third party (Keystone Employment Group) has been engaged to provide services for some elements of the Agency.

This document has a number of sections (cases) which consider different aspects of the initiative and provide a conclusion and recommendation.

Page 95

| | Section | Description |
|---|--|---|
| 1 | Background, Context and Purpose | This Section outlines key reasons for developing a University Employment Agency. |
| 2 | Strategic Case | This Section provides more detail on the concept of the LSBU Employment Agency; how this fits with the wider University strategy (including the South London Innovation District) and also considers the market conditions, business synergy and strategic fit. |
| 3 | Financial Case | The Financial Case provides evidence that the proposal is affordable and includes a forecast income and expenditure. |
| 4 | Management Case | The Management Case demonstrates how the initiative can be delivered in a structured, methodical manner. |
| 5 | Commercial Case | A procurement process has already been run in order to engage with an appropriate supplier. This Section provides further detail on this process. |
| 6 | Conclusion and Recommendation | This Section provides an initial conclusion and recommendation. |
| | <i>Appendices</i> | Provides supporting documentation for Sections 1-6 |

1. Background Context and Purpose

This Section outlines key reasons for developing a University Employment Agency

1. *Background Context and Purpose*

LSBU has a range of roles in relation to employment:

1. It is a key employer to many students through, for example, ambassadorial programmes;
2. It provides employment opportunities for the local community with a range of temporary and permanent vacancies; and
3. It acts as a broker to organisations requiring people with vocational and technical qualifications at Level 3 and above.

In the case of 1 and 2 above, vacancies are fulfilled through agencies which charge the University a fee. In the case of 3 above, the University merely acts as an broker without adding additional commercial consideration.

In its core role as an organisation which binds together local society and transforms lives, business and communities, LSBU has an ability to provide a more comprehensive and cohesive careers service to students and local employers. LSBU can leverage its position as the linchpin of the South London Innovation District to open up more opportunities for its students, local people and local enterprises.

In addition, there are some peripheral financial benefits from this type of initiative which will help the University to make cost savings in some areas, most notably VAT.

Some work has already been completed on this initiative and this document serves to build on this initial work, considering the Business Case from a number of perspectives; and recommending a course of action.

2. Strategic Case

This Section provides more detail on the concept of the LSBU Employment Agency; how this fits with the wider University strategy (including the South London Innovation District) and also considers the market conditions, business synergy and strategic fit.

2.1 Organisation Overview and Business Strategy

LSBU is a leading Higher and Further Education provider delivering services through a range of Level 4-8 (Framework for Higher Education Qualifications) and Levels 1-8 (Regulated Qualification Framework) courses and facilities. The organisation has an annual income of c.£140m, employs c.1360 people and has over 18,000 students from over 130 countries.

LSBU has a strong foundation for the provision of HE level degrees and has an established and rich engagement with the Local Community and employers. It is a qualification University providing employer sponsored education and modern apprenticeships. In short, LSBU provides tangible qualifications which are linked to real world vocations.

LSBU's vision is to become London's top modern university by 2020 and the award of a TEF silver is a considerable stepping stone towards this aspiration.

The LSBU Corporate Strategy 2015-2020 outlines four outcomes which are key to LSBU driving its position as an attractive, recognised and prestigious Education provider:

| Outcome | Description |
|---------------------------------|---|
| 1. Student Success | Externally recognised for providing a personalised, high calibre education which equips students for employment and society. |
| 2. Real World Impact | Ensuring the provision of dynamic evidence-based education which is underpinned by highly applied research and enterprise activity. |
| 3. Access to Opportunity | Building opportunity through partnerships and as a partner of choice for our communities. |
| 4. Strategic Enablers | Addressing the barriers and challenges that could hinder the success of LSBU. |

In order to fulfil the strategic outcomes and underpinning goals, it's

essential that LSBU remains a place which can transform lives, businesses and communities.

2.2 Creating the South London Innovation District

London South Bank University (LSBU) understands the benefits of bringing together high level education and training, translational research and enterprise to support learners, entrepreneurs and employers. It is seeking partners to realise these benefits through the creation of an "Innovation District" in south London, established around what LSBU terms a "Family of Learning Providers" – a Group structure composed of like-minded educational organisations operating within a common educational framework.

One of the core aims of the Innovation District is to act as a hub of activity for the local community, employers and learners. Achievement of this aim will be met through a number of initiatives which will bring together these three stakeholder groups more closely and increase alignment through providing mutually beneficial opportunities for employment and progression.

The creation of an LSBU Employment Agency will help to connect the employer demand in South London (including LSBU) with the supply of high quality, suitable candidates for a range of permanent and temporary job opportunities, including placements, which are vital for student retention and financial support.

In summary, this proposal will provide:

- An increased opportunity to uncover placement opportunities and match those to LSBU students;
- An increased opportunity to gain supplementary financial income through the above;

2. Strategic Case

- A central resource to manage candidate and vacancies in the immediate geographical area of the University initially through fulfilment of University vacancies;
- A mechanism for Enterprises/Businesses to find suitably qualified candidates;
- A hub to attract local communities seeking employment opportunities; and
- A tax efficient method of resource management for LSBU.

2.2 Case for Change

2.2.1 Business Need

Graduate employment has been a key metric for the University for many years. With the introduction of the TEF, it will be directly linked to income through institutional ranking as Outstanding, Excellent or Meeting Expectations.

The political uncertainty surrounding the EU referendum has already started to show impact on the graduate labour market prior to the referendum taking place (see Appendix E). HESA likened the current situation to a recession with lower graduate recruitment since February 2016.

Institutions such as LSBU are likely to be harder hit than Russell Group Universities and so it is essential that LSBU is able to maintain and bolster graduate outcomes and real world experience for students in order for the University to continue league-table success.

With uncertainty in the HE landscape, knowledge that DLHE / New DLHE data will be a key metric for the TEF and retention being a high priority, the agenda to improve student retention has never been more important.

Additionally, many students are reliant on supplementary income - and lack of funds is often a key factor in students withdrawing from and/or interrupting learning pathways.

One mechanism for alleviating the pressures outlined above is to establish a method to control and enhance employment opportunities within the University, local Enterprises and Communities through the creation of an LSBU Employment Agency. Evidence from other institutions suggests that, easy, supported, access to suitable part time work has a significant impact on retention metrics.

An internal factor to consider is that the LSBU Department of Student Support and Employment has been seeking to develop income streams to support the vital work being carried out in supporting students to stay and succeed, and to find graduate-level work. Moreover, the Department is continuing to seek cost saving and efficiency opportunities to contribute to University sustainability and strategic goals. An Employment Agency not only generates a revenue source, it also drives cost saving through the elimination of VAT charges on salaries for staff recruited through a number of external employment agencies.

There are three potential models that could be adopted at LSBU which are explored in more detail in the Potential Scope section below:

1. In-house model;
2. Franchise model; and
3. External provider model.

In choosing which of the three models to adopt, it is important to recognise the issue of a quickly-changing and uncertain landscape in HE currently, with both the TEF and the EU referendum result. For example, there are likely to be frequent and rapid changes to legislative frameworks regarding employment law, UKVI requirements, working hour directives and others. It is crucial that the solution adopted is able to react to these without putting the University at reputational or financial risk through non-compliance.

2.2.2 Potential Benefits

This section considers the overall benefits to establishing an Employment Agency, explores the three models in more detail and outlines the key risks with the chosen option.

The benefits below relate to the overall concept of establishing an LSBU Agency. They are as follows:

1. **TEF:** Graduate destinations is a key metric in determining status as Excellent, Outstanding or Meeting Expectations. An Employment Agency will help to increase positive outcomes.
2. **Fees:** Institutions who fail to meet Excellent or Outstanding ratings will only receive half of the allowed inflationary uplift, resulting in a loss of income estimated at £7M for 2019 - 2021. An Employment Agency will help mitigate this risk.
3. **Retention:** Institutional help in obtaining suitable part time work has a pronounced effect on student retention
4. **Financial:** Saving of 20% VAT on salary plus commission charged by external agencies for internal appointments. Potential saving in VAT on non-specialist agency recruited staff is c£189k from 17/18-20/21.
5. **Revenue generation:** Offers a new mechanism to bring external money into the University through commission charged to external employers. This is in addition to the VAT savings outlined above.
6. **Student Employability:** Skills development through part time working, engagement with employability service to articulate and 'sell' skills / experience when searching for graduate jobs.
7. **Graduate Employment:** Actively sourcing jobs for graduates.
8. **Community Engagement:** Scope to expand service to recruit from the local community for both internal and external jobs that can't be filled by students.

The table on page 10 explores the key features and specific benefits in more detail.

2. Strategic Case

2.2.2 Potential Scope Features and Benefits

The table below shows the potential features of an Employment Agency and the key benefits:

| | Scope/Feature | Benefit |
|---------------------------------------|---|--|
| A University Employment Agency would: | | |
| 1 | Facilitate paid employment opportunities for students and graduates, and to fill positions within the University; | Saving on VAT charged on wages, and external agency commission; |
| 2 | Provide an agency service to fill jobs within the University that would otherwise be filled by external agencies; | Savings in VAT charged on wages plus commission that would otherwise be paid externally; |
| Page 102 | Provide an agency service to current LSBU students to secure work to support their studies; | Increased retention, professional development, student employability and real word experience through work, both internally and externally; |
| | Provide agency service for external employers to recruit LSBU graduates; | Improved DLHE figures, enhanced employer engagement, helps to mitigate risk of failing into 'Meets Expectations' rating which impacts on financial risk of fee falling behind inflation potentially reduced income; |
| 5 | Provide a mechanism for LSBU to hire its own students and graduates; | Enhanced retention, outcomes, reputation and redistribution of University money to student funds rather than externally; |
| 6 | Provide Employment Agency service to local jobseekers in the community; | Upcoming DLHE results are likely to include HMRC data and this helps to enhance HMRC records. The more involvement LSBU has in sourcing and securing job outcomes for students, the more outcomes it can ensure are recognised in HMRC records and contribute to league table success; |
| 7 | Provide an additional mechanism to motivate students to engage with their own employability, and to be supported in doing so through links between the Employment Agency and other elements of the employability service; and | Mitigate the risk of reduction of graduate outcomes resulting in loss of income; and |
| 8 | Generate revenue to invest in growing the reach of the agency. | Contributes to strategic aims of the University. |

2. Strategic Case

2.2.3 Options Analysis

Three operational models for running an Employment Agency at LSBU have been considered as follows:

1. In-house model;
2. Franchise model; and
3. External provider model.

These are explored in more detail below.

1. *In-house (software only) model*

Purchase recruitment software to run agency in house.

- Quick set up with industry proven processes and technology
- Allows LSBU to retain profit (dependant on which package purchased)
- VAT saving
- Requires hiring of expert/qualified staff
- Requires some independent knowledge of sector, especially in keeping up to date with legislative changes and models of good practice
- Likely requires performance related pay (currently not supported by the University below Grade 11)

2. *Franchise Model*

Using an existing 'out of the box' business model:

- Quick set-up as buying an existing business model with full systems
- Systems and staff training included
- Fully supported including notification of changes to legislative framework
- Limited to geographical area (depending on which provider is chosen)
- Increased network of support and job access (depending on which provider is chosen)
- Pay commission on placements
- Lack of LSBU control
- Limited personalisation of service (loss of LSBU ethos and culture)
- Dependent on third party for future growth

3. *External Model*

External recruitment company invited in to run a bureau on LSBU campus:

- No VAT saving as external provider
- No revenue generation
- Profit cannot be retained
- Control is through contract and SLA so strategic aims of University more difficult to align as more difficult to influence model
- Low or no start up fee

Page 103

| <i>Options Analysis Benefit Table</i> | VAT saving | Commission saving | Potential for revenue generation | Control over student experience agenda | Updates on legislative compliance | Start up costs | Monthly fees | LSBU Performance related pay required |
|---------------------------------------|------------|-------------------|----------------------------------|--|-----------------------------------|----------------|--------------|---------------------------------------|
| In House (Software model) | ✓ | ✓ | ✓ | ✓ | x | ✓ | ✓ | ✓ |
| Franchise Model | ✓ | ✓ | ✓ | x | ✓ | ✓ | x | x |
| External Provider | x | x | x | x | - | x | ✓ | x |

Recommended option

The primary aim of the creation of an Employment Agency is to boost placements and retention of students – both of which has a direct impact on DLHE outcomes. Evidence also suggests that students who receive additional financial support during the course of their studies are more likely to conclude courses and gain successful employment.

Given the strategic aims above. The options analysis above suggested that an **in-house model** is best suited to the current needs of LSBU and this is the model which has been pursued by the University. This model means that the University will appoint a contractor to provide software for the University to operate.

Page 104 Whilst this model requires LSBU to recruit staff for the creation of the Employment Agency, it provides instantaneous, market leading processes and software to support the current needs of the University. It also allows the University to retain control of the Agency, building on success without reliance on a third party provider.

As part of the initial agreement, LSBU has also asked the third party supplier to prepare payroll files which can easily be uploaded to the LSBU payroll system and produce payslips to be sent directly to candidates. LSBU will be responsible for paying all candidates directly. This means that part of the payroll process is outsourced to the LSBU Supplier. In the future, LSBU could prepare the payroll file independently and distribute payslips assuming the correct level of resource is available in the University Finance Department.

2. Strategic Case

2.2.3 Key risks and mitigating actions

The table below shows the key risks of the initiative and corresponding actions.

| | Risk (not ranked) | High Level Mitigating Action |
|---|---|--|
| 1 | <p><i>Timescales</i> - there is a risk that any lack of expediency will affect the scale of the benefits outlined above, these include:</p> <ul style="list-style-type: none"> a. <i>DLHE assessments</i> - Being outperformed on graduate outcomes (DLHE / New DLHE results); b. <i>Financial</i> - Loss of money through unnecessary VAT payments. Loss of income through TEF ratings fee penalty; c. <i>Student retention</i> - retention affected through preservation of current model; and d. <i>Reputational</i> - Falling behind sector as many other institutions are implementing a recruitment agency model. | Ensure there is a clear, structured plan for implementing the initiative with appropriate sequencing, dependencies and interdependencies. |
| 2 | <p><i>People and Change/Comms</i> - there is a risk that without a well thought through and comprehensive branding, communications and marketing campaign the benefits and success of the Agency will be hampered;</p> | Ensure there is a clear brand, marketing and communications campaign before launch. The initial focus of the agency will be on internal recruitment and this should be a priority. |
| 3 | <p><i>Technology</i> - there is a risk that overlapping technology and/or gaps in IT provision impact the success of the initiative;</p> | Ensure the technology footprint of the proposed option is understood. Ensure that current and future LSBU architectures are documented. Ensure that current and future integration is understood and an appropriate roadmap is in defined. |
| 4 | <p><i>Process</i> - there is a risk that without clearly mapped processes the Agency will not be as efficient and effective as plans suggest.</p> | Ensure the value chain and core processes are mapped and understood by all process owners and partners before commencement/go live. |
| 5 | <p><i>Resources</i> - there is a risk that the appropriate expert resource cannot be located to match the ambitions of the Employment Agency. There is a corresponding risk that the remuneration on offer will not attract the appropriately skilled individuals.</p> | Ensure that full job descriptions and compensation are established before launching a recruitment plan. The type of skills specified should closely match the process and technology requirements of the Agency. |
| 6 | <p><i>Corporate Structure</i> - there is a risk that the subsidiary in which the Agency resides may not be fully aligned with the purpose and nature of the Agency.</p> | Ensure that a full consultation of the Executive has been undertaken to agree the corporate structure. |

2. Strategic Case

2.2.5 Dependencies

The key *dependencies* to the Programme are as follows:

1. That an established brand and marketing campaign is created prior to the Agency services being commenced;
2. That the method and mechanism for delivering the budget and key performance metrics is documented and understood; and
3. Appropriately skilled resource is available and inducted before the service commences.

2.2.6 Critical Success Factors (CSF)

The CSFs to the Programme are as follows:

1. Senior Management (Board) approval where required especially with regard to the strategic and financial case.
2. A viable financial case: the Agency needs to generate a net neutral income and expenditure position and must not materially impact the overall profitability of LSBU; and
3. Sufficient Programme resources (funding and people) to implement the Programme.

3. Financial Case

The Section provides evidence that the proposal is affordable and includes Income and Expenditure projections.

3. Financial Case

Forecast Income and Expenditure

For context, the University spent £2.9M in 15/16 on Third Party & Agency Staff and had spent £1M by December 31 in 16/17.

During the course of the Business Case cycle, budgeting and procurement, a variety of different models have been created to show the forecast Income and Expenditure of the Agency. As is common practice these models range from very conservative to highly ambitious. In recent conversations, it has been recognised that, as a start up business, an expectation of high level of income and profit would not be prudent. Rather than start with an overly ambitious set of performance targets, the business should be expected to start cautiously and develop to full capability over the course of a number of years building on success year by year.

The table below shows the agreed high level Income and expenditure for the next four years. A more detailed version can be found at Appendix A.

| | 17/18 | 18/19 | 19/20 | 20/21 |
|--|-----------------|-----------------|-----------------|------------------|
| Income | 366,000 | 565,250 | 873,750 | 1,073,000 |
| Expenditure | 486,009 | 712,934 | 993,579 | 1,176,666 |
| Agency only profit/deficit | -120,009 | -147,684 | -119,829 | -103,666 |
| Total Impact on LSBU profit/deficit | -82,009 | -93,934 | -35,579 | -4,666 |

This model results in a four year loss of (£216k). The business breaks even at the point 31% of LSBU's total recruitment demands are met by the Employment Agency.

The total impact on LSBU profit/deficit is calculated by netting off three elements from the Agency only profit/deficit:

1. Write back internal margin - The model assumes that SBE/Student Services will make a profit on each transaction. Write back internal margin removes the internal profit where SBE/Student Services charges LSBU, so that the only profit left in the agency is where SBE/Student Services charges an external customer.
2. Margin saving on internal placements @ 11% - LSBU is currently charged 11% in addition to the direct staff cost by external recruitment agencies 'Adecco' and 'Step Ahead'. With its own Employment Agency these costs will not have to be paid by LSBU.
3. VAT saving @ 20% internal placements - Currently 20% VAT is charged to LSBU by the external recruitment agencies 'Adecco' and 'Step Ahead' on the full cost of the placement. With its own Employment Agency these costs will not have to be paid by LSBU.

3. Financial Case

Assumptions

The following assumptions have been made in forecasting the financial case:

- The roles filled by LSBU are as follows:

| | 17/18 | 18/19 | 19/20 | 20/21 |
|---------------------------------------|-------|-------|-------|-------|
| External | 2.6 | 5.1 | 7.4 | 9.5 |
| Internal | 6.9 | 9.4 | 14.3 | 16.4 |
| Total Placements | 9.5 | 14.5 | 21.7 | 25.9 |
| %age of total LSBU recruitment | 13% | 17% | 27% | 30% |

Page 109

Based on an average FTE annual salary of £34,567.

LSBU internal temporary roles filled by the Agency which are assumed to grow from £276K in 17/18 to £713k by year 20/21.

- A standard mark up for commission for internal and external staff has been assumed: internal (15%) external (20%).
- The Agency will require 3 staff: 1 Grade 6 and 1 Grade 8 for 17/18 and 1 Grade 6 and 2 Grade 8 from 18/19 onwards.
- The income from the Agency's turnover, less the standard directly incurred staff and running costs of the Agency less third party franchise costs (from Keystone) deliver an operating profit/loss for the Employment Agency.
- VAT savings would be jointly shared by the recruiting manager/department and the Agency. The recruiting manager would pay a lower fee per hour because LSBU would not be charging VAT, but this would not necessarily equate to the VAT

they would have paid an external agency. LSBU is not expecting a VAT rebate or for the full VAT relief to be given to the recruiting manager.

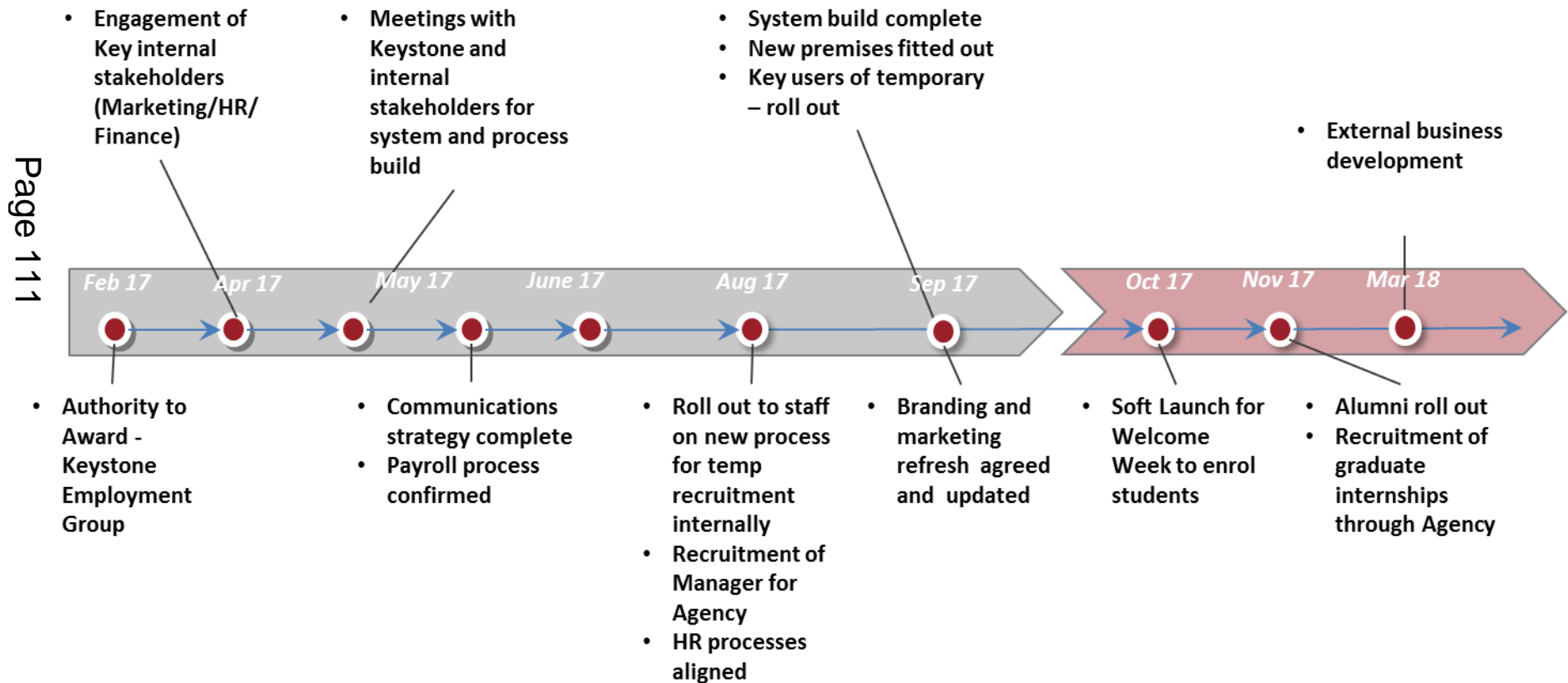
- It is the intention that any profits will be reinvested into developing the Agency and to support employability initiatives and projects that will benefit LSBU students and graduates.
- Financial models have been created by LSBU Finance for use by Student Support and Employment and Procurement.

4. Management Case

This Section provides an overview of how the Programme will be delivered through key milestones and the governance models which will be used.

The diagram below shows the current proposed key milestones for launch of the Employment Agency. The current status is as follows:

1. Timelines created based on expectation of 'go live' for the new academic year;
2. A Recruitment Centre Manager is being recruited in August 2017;
3. Finalised branding and marketing needs to be agreed before system can go live; and
4. Payroll processes agreed in principle.



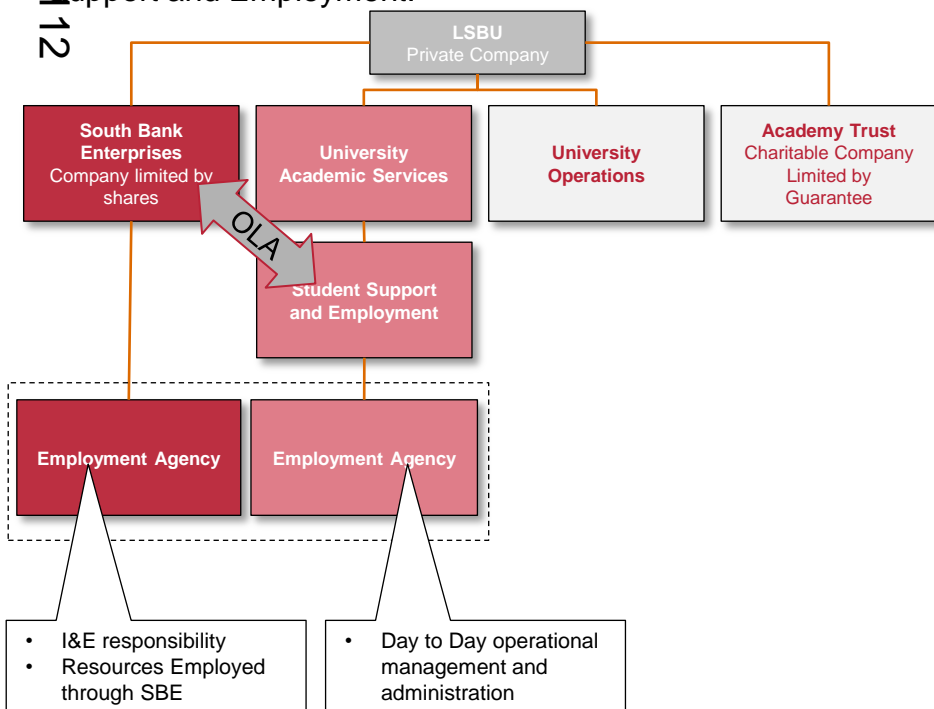
4. Management Case

4.1 Corporate Structure

The diagram below shows the proposed corporate structure for the Employment Agency. There are two key reasons South Bank Enterprises (SBE) has been chosen as the subsidiary to house the Employment Agency:

1. To take advantage of tax planning opportunities to reclaim VAT on Employment Agency income; and
2. To enable performance based remuneration to Employment Agency employees (SBE pay up to 2% bonus on salary) which would not be available in other parts of the University for people at the same grade.

An Operational Level Agreement (OLA) will be put in place which describes the obligations which exist between SBE and Student Support and Employment.



4.2 Performance Management and MoU

The following measures are proposed in order to gauge performance of the Employment Agency:

- 1) Generating income according to the table below

| | 17/18 | 18/19 | 19/20 | 20/21 |
|---------------|----------------|----------------|----------------|------------------|
| Income | 366,000 | 565,250 | 873,750 | 1,073,000 |

Ensuring cost control is maximised and does not exceed the expenditure forecasts in the table below

| | 17/18 | 18/19 | 19/20 | 20/21 |
|--------------------|----------------|----------------|----------------|------------------|
| Expenditure | 486,009 | 712,934 | 993,579 | 1,176,666 |

- 2) Positive contribution to achievement of corporate KPIs:
 - Goal 1 employability: 95% of graduates in work or further study 6 months after graduating
 - Goal 5 access: exceed national expectations in terms of the proportion of students achieving their award in a timely manner
- 3) Positive contribution to the Educational Framework, building students' confidence, networks, and social for interview skills.
- 4) No less than 'good' rating in qualitative feedback based on survey results. Also inclusion in DLHE survey if permitted.

Page 112

5. Commercial Case

A procurement process has already been run in order to engage with an appropriate supplier. This Section provides further detail on this process.

5. Commercial Case

Based on the options analysis at Section 2.2.3 p.11 a competitive procurement exercise was conducted commencing on 29th September 2016 and concluding 1st November 2016.

The scope of the procurement was to appoint a supplier to facilitate the running of an internal Employment Agency at LSBU that will service LSBU students, graduates and the local community.

The award criteria was the most economically advantageous offer based on the following Award Criteria:

| Award Criteria | Weighting | Minimum Score required |
|--|-----------|------------------------|
| Price and value for money | 23% | 14 |
| Meeting LSBU functional requirements | 23% | 14 |
| Delivery to project timescales | 10% | 6 |
| System features and functionality | 15% | 9 |
| System support, maintenance and training | 13% | 8 |
| LSBU control of strategic priorities including targeted occupational areas for graduate jobs and student experience agenda | 16% | 10 |

A number of organisations responded to the tender on the basis of the fulfilling the features outlined at Section 2.2.2 (p.10) and a set of functional requirements (see Appendix B).

There were a number of different business models proposed for the LSBU Employment Agency including transaction fees, volume based commission payments and income related fees. There were also different assumptions about the staff cost and annual operating expenses of any office.

In order to ensure comparability, LSBU created a model that

would enable the comparison of activities and costs of an Agency operated by each of the respondents at the same levels of activity.

Based on the above, Keystone Employment Group won the tender process based on its Talent Bank system. A service contract for two years with an effective date of 1st July 2017 with a notional service start date of September 2017 was agreed. The contract can be extended for an additional three years on an annual basis up to a maximum contract term of 5 years (i.e. the contract is a 2+1+1+1).

The contract can be terminated for convenience by LSBU with three months written notice or with immediate effect in the case of a breach by Keystone and other terms which are specified at Section 2.10 of the contract. There are also clauses which cover both parties immediately terminating the agreement in other situations (including insolvency) specified in Section 2.9.

The commercial arrangements for the contract are that LSBU will be charged a fixed annual management fee of £34,000 payable in 12 monthly instalments of £2,833.33 There is no set-up or implementation fee.

A transaction fee of 60p (sixty pence) per hour for every transaction processed through the Talent Bank system. This is applied to every hour contained in a timesheet processed via Talent Bank. This includes partially outsourced payroll provision at 20p per transaction, which would create additional savings if this was insourced to LSBU in future.

Since July, Keystone and the University have been working together to plan the implementation for September but no firm date has been set at the time of writing.

6. Conclusion and Recommendations

This Section provides an initial conclusion and recommendation.

6. Conclusion and Recommendations

6.1 Conclusion

Based on the analysis of each of the core business case elements the conclusion is as follows:

| Case | Conclusion |
|------------------|---|
| Strategic | Based on the analyses within this document at the time of writing, the Employment Agency concept is one which is aligned with LSBU's core strategic objectives. In particular, over time, it has the propensity to enhance student success and associated national measures such as DLHE. |
| Financial | <p>The financial case is not at the forefront of the concept of the Employment Agency (the generation of profit is not a core priority). Nevertheless, there has to be a sound and viable financial basis for moving ahead with the initiative.</p> <p>On review and reflection, it has been determined that the initial forecasts used within the procurement and for preliminary budget planning were too ambitious and these have now been rebaselined to more realistic levels.</p> <p>However, based on current analysis and at the time of writing, the Agency is still forecast to contribute a loss of c£216k to the University for the period 17/18 to 20/21. The breakeven point is estimated to be in 21/22.</p> |

Page 116

| Case | Conclusion |
|-------------------|---|
| Management | <p>Initial analysis suggests there are a number of areas which need to be accelerated if the September 2017 launch date is to be preserved:</p> <ol style="list-style-type: none"> 1. Clear delineation of process and systems. This work has commenced but needs to be finalised quickly (see risk section at 2.2.3 (p.10)). 2. Clear marketing and PR campaign, including branding and comms. 3. Clear understanding of the key activities leading up to the implementation date and Post Implementation Review (PIR) and periodic Service Review process. 4. Clear understanding of the proposed future processes and systems roadmap. <p>In addition there are a number of immediate decisions required to progress the launch of the Agency (Appendix F)</p> |
| Commercial | At the time of writing the Commercial Case looks sound. However, it should be noted that the financial forecasts and volumetrics used to evaluate the suppliers during the procurement process were higher than the agreed forecasts in the Financial Case at Section 3 above (p.15). This does not materially affect the outcome of the procurement process or the validity of the Employment Agency concept. |

6. Conclusion and Recommendations

6.2 Recommendation

On the basis of the above it seems sensible to proceed with the Employment Agency building on some of the excellent work of the team so far. However, please note next steps.

6.3 Next Steps

There is a strong need to accelerate critical elements of the initiative based on the key risks (and accompanying mitigating actions) in the Strategic Case; and areas outlined in the Commercial Case conclusion above.

The resources (people and budget) required to implement the proposed solution and go live should also be considered and agreed.

Appendices

Appendix A Financial Case Income and Expenditure

Background and Context | Strategic Case | Financial Case | Management Case | Commercial Case | Conclusion

| INCOME & EXPENDITURE: | | | | | |
|--|-----------------|------------------|------------------|------------------|------------------|
| £ negatives shown in brackets () | | | | | |
| AGENCY INCOME: | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| EXTERNAL PLACEMENT FEES | - | 90,000 | 180,000 | 270,000 | 360,000 |
| 20% Mark up | | | | | |
| INTERNAL PLACEMENT FEES | - | 276,000 | 385,250 | 603,750 | 713,000 |
| 15% Mark up | | | | | |
| TOTAL AGENCY INCOME | - | 366,000 | 565,250 | 873,750 | 1,073,000 |
| External Placements | | | | | |
| Full Time Equivalents @ £34,567 | | 2.2 | 4.2 | 6.1 | 7.9 |
| PLACEMENT COST - EXTERNAL | - | 75,000 | 150,000 | 225,000 | 300,000 |
| Internal Placements | | | | | |
| Full Time Equivalent placements @ £34,567 | | 6.9 | 9.4 | 14.3 | 16.4 |
| PLACEMENT COST - INTERNAL | - | 240,000 | 335,000 | 525,000 | 620,000 |
| Estimated LSBU Third Party Staff required | | 1,867,165 | 1,923,180 | 1,980,876 | 2,040,302 |
| % Fulfilled by Keystone | | 13% | 17% | 27% | 30% |
| EXPENDITURE: | | | | | |
| STAFF COST | | | | | |
| STAFF COST *2 - GRADE 8 & 6 | 17,688 | 109,314 | 112,593 | 115,971 | 119,450 |
| STAFF COST *1 - GRADE 6 | | | 45,902 | 47,279 | 48,697 |
| | 17,688 | 109,314 | 158,495 | 163,250 | 168,147 |
| OFFICE COSTS | | | | | |
| FIXED COSTS | | | | | |
| STAFF RECRUITMENT | 2,000 | - | - | - | - |
| OFFICE SET-UP COST | 5,000 | - | - | - | - |
| MARKETING | 9,000 | 9,000 | 7,000 | 7,000 | 7,000 |
| INSURANCE | 1,000 | 1,030 | 1,061 | 1,093 | 1,126 |
| OFFICE RUNNING COST | 1,500 | 1,545 | 1,591 | 1,639 | 1,688 |
| SUBSCRIPTIONS | 410 | 1,200 | 1,200 | 1,200 | 1,200 |
| STAFF TRAVEL | 200 | 1,000 | 1,500 | 1,500 | 1,500 |
| STAFF DEVELOPMENT | - | 1,000 | 1,500 | 1,500 | 1,500 |
| | 19,110 | 14,775 | 13,852 | 13,932 | 14,014 |
| VARIABLE COSTS | | | | | |
| PAYROLL BUREAU COST (£308 per FTE) | - | 2,807 | 4,196 | 6,299 | 7,502 |
| BAD DEBT PROVISION @ 5% EXTERNAL INCOME | - | 4,500 | 9,000 | 13,500 | 18,000 |
| ANNUAL MANAGEMENT FEES | - | 34,000 | 34,000 | 34,000 | 34,000 |
| COMMISSION FEES (£616 per FTE) | - | 5,613 | 8,391 | 12,598 | 15,004 |
| | - | 46,920 | 55,587 | 66,397 | 74,505 |
| TOTAL EXPENDITURE | 36,798 | 486,009 | 712,934 | 993,579 | 1,176,666 |
| STAND ALONE AGENCY PROFIT (DEFICIT) | (36,798) | (120,009) | (147,684) | (119,829) | (103,666) |
| IMPACT ON LSBU | | | | | |
| WRITE BACK INTERNAL MARGIN | | 36,000 | 50,250 | 78,750 | 93,000 |
| MARGIN SAVING ON INTERNAL PLACEMENTS @ 11% | - | (26,000) | (37,000) | (58,000) | (68,000) |
| VAT SAVING @ 20% INTERNAL PLACEMENTS | - | (48,000) | (67,000) | (105,000) | (124,000) |
| Total Impact on LSBU | | (38,000) | (53,750) | (84,250) | (99,000) |
| TOTAL IMPACT ON LSBU PROFIT (DEFICIT) | (36,798) | (82,009) | (93,934) | (35,579) | (4,666) |

Appendix B Functional Requirements

[M = Mandatory / D = Desirable]

We require the solution to have systems that:

1. Provides full operational support including training and systems (M)
2. Fully supports staff in any compliance / legislative framework and equality monitoring requirements and are reactive to live changes, for example regarding tier 4 visa legislation and procedures, UKVI compliance and changes to employment law (M)
3. Allows the university to save VAT (compared with utilising external recruitment suppliers) (M)
4. Allows payroll to be run via the provider in order to avoid adding strain to the university's own payroll systems (whilst retaining VAT savings), but can be brought back under LSBU payroll systems at a later date if desired (M)
5. Allows the university to use the employment agency to generate additional revenue (M)
6. Access to a broad pool of jobs and candidates, ideally on a national basis (D)
7. Allows the university to set its own student experience agenda, setting priorities and linking to other support services such as the Employability Service (M)
8. Allows the university to run defined internal internship schemes through the agency at no additional cost (D)
9. Based on LSBU Southwark campus (M)
10. Is scalable to allow for growth in terms of staffing and market share, with additional staff covering their own wage and generating a surplus (M)
11. Complies with Data Security requirements (M)
12. Meets LSBU Information Security requirements (M)

Appendix C Contract Service Description

SCHEDULE A - SERVICE DESCRIPTION AND SPECIFICATION

i) The Service shall be described as LSBU Talent Bank.

Keystone shall provide a web-based service which can be accessed via popular internet browsers (Firefox, Chrome, Internet Explorer, Safari). For optimum experience it is recommended that Chrome be the chosen browser to access the service, but this is not a system requirement.

ii) This service will allow London South Bank University to use the system to select workers, offer assignments and make use of automated services including compliance and timesheets and output data to a payroll file as required and shall exclude all other employment agency services (other than those specifically detailed in the below specification) and other agency worker services. The Client shall administer and utilise the software with its own personnel and resources. Keystone will provide operational and management support to the staff employed by the Client to manage the service on a day to day basis. All employment of students and other workers shall be contracted directly between the Worker and the employer (in this case the employer shall be either London South Bank University, an approved subsidiary or affiliate or its approved business partners).

Page 12

iii) The Service is principally designed to enable students and other potential workers to register and make themselves available for undertaking paid or unpaid work assignments, which are created and managed by internal managers and administrators who shall be appointed by the Client, and for electronic timesheets to be generated by those assignments for approval by the Client's appointed managers and then output to a CSV file, or similar, for the Client to input into their own nominated payroll system. For the avoidance of doubt ALL employment of Workers in this service will be direct contracts between the workers and the employer directly, whether the employer is London South Bank University, an approved subsidiary or affiliate or its approved business partners

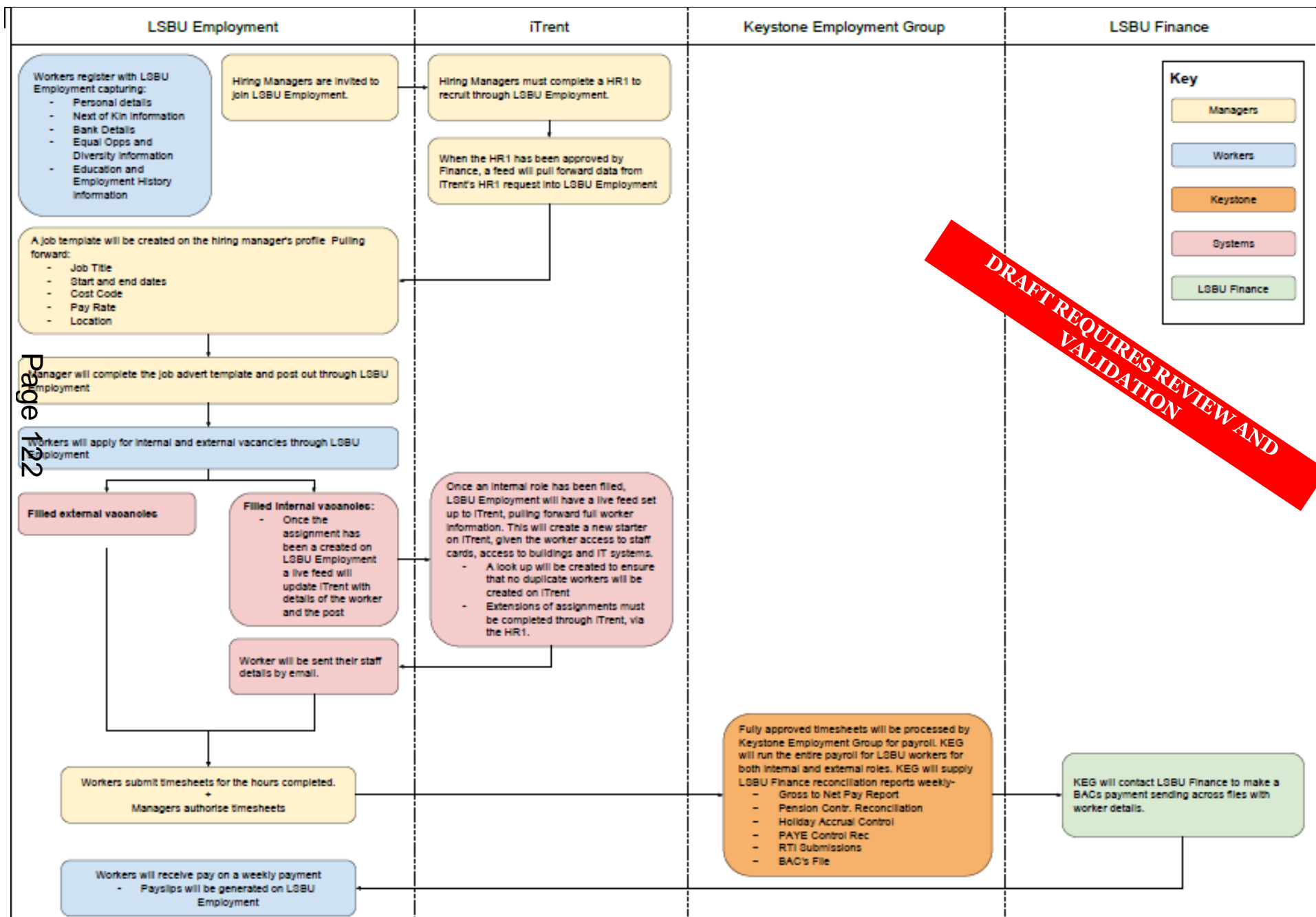
iv) The following functionality will be specifically excluded from the Service. Additional services can be provided at additional cost (in excess of those fees laid out in Schedule C- FEES) and subject to a minimum of 30 working days notice

Specifically excluded:

Employment agency services where Keystone is acting as an employment agency and employing workers on behalf of London South Bank University or its affiliates or partners.

Payroll services (other than provision of data to enable the Client's payroll service to run the payroll using information from Talent Bank)

Appendix D Value chain and key processes



Appendix E graduate labour market data

Background and Context | Strategic Case | Financial Case | Management Case | Commercial Case | Conclusion

Table I - Employment outcomes of UK domiciled full-time first degree qualifiers by academic year

| | Employment | Employment and further study | Further study only | Assumed to be unemployed | Not available for employment | Other | Question not answered |
|---------|------------|------------------------------|--------------------|--------------------------|------------------------------|-------|-----------------------|
| 2015/16 | 66.10% | 5.00% | 15.80% | 5.20% | N/A | 4.30% | 3.60% |
| 2014/15 | 68.60% | 4.80% | 13.30% | 5.70% | N/A | 4.40% | 3.20% |
| 2013/14 | 68.40% | 5.10% | 12.30% | 6.30% | N/A | 4.50% | 3.40% |
| 2012/13 | 67.30% | 5.20% | 12.60% | 7.30% | N/A | 4.30% | 3.30% |
| 2011/12 | 64.10% | 5.40% | 13.00% | 8.40% | N/A | 4.40% | 4.80% |
| 2010/11 | 61.60% | 7.90% | 14.00% | 8.90% | 3.20% | 1.00% | 3.40% |
| 2009/10 | 61.90% | 7.00% | 14.50% | 8.80% | 3.20% | 1.10% | 3.40% |
| 2008/09 | 58.90% | 7.30% | 16.50% | 9.30% | 3.70% | 1.10% | 3.00% |
| 2007/08 | 61.30% | 7.40% | 15.00% | 8.20% | 4.10% | 1.20% | 2.80% |
| 2006/07 | 63.00% | 8.40% | 14.80% | 5.70% | 4.30% | 1.10% | 2.60% |
| 2005/06 | 62.90% | 8.20% | 14.80% | 6.30% | 4.60% | 1.10% | 2.10% |
| 2004/05 | 62.80% | 8.10% | 14.90% | 6.50% | 4.90% | 1.10% | 1.80% |
| 2003/04 | 62.70% | 8.60% | 15.00% | 6.40% | 5.00% | 1.00% | 1.40% |
| 2002/03 | 62.90% | 7.90% | 14.80% | 7.00% | 5.20% | 1.00% | 1.20% |

Appendix E graduate labour market data

Background and Context | Strategic Case | Financial Case | Management Case | Commercial Case | Conclusion

Employment outcomes by subject

| Sector | Academic Year | JACS subject area v3 | Due to start work | Full-time study | Full-time work | Other | Part-time study | Part-time work | Primarily in work and also | Primarily studying and also | Unemployed | Total | Employment | Employment And Further Study | Further Study Only | Unemployed | Other |
|----------------|---|----------------------|-------------------|-----------------|----------------|--------------|-----------------|----------------|----------------------------|-----------------------------|--------------|---------------|------------|------------------------------|--------------------|------------|-----------|
| 2014/15 | (1) Medicine & dentistry | | 41 | 766 | 9112 | 180 | 38 | 354 | 240 | 63 | 101 | 10895 | 87% | 3% | 7% | 1% | 2% |
| 2014/15 | (2) Subjects allied to medicine | | 243 | 2666 | 33330 | 1187 | 394 | 4849 | 1545 | 685 | 778 | 45677 | 84% | 5% | 7% | 2% | 3% |
| 2014/15 | (3) Biological sciences | | 345 | 7430 | 17672 | 1976 | 496 | 5900 | 995 | 1658 | 1810 | 38282 | 62% | 7% | 21% | 6% | 5% |
| 2014/15 | (4) Veterinary science | | 1 | 31 | 615 | 15 | 2 | 28 | 11 | 5 | 2 | 710 | 91% | 2% | 5% | 0% | 2% |
| 2014/15 | (5) Agriculture & related subjects | | 34 | 640 | 1875 | 215 | 52 | 383 | 140 | 113 | 171 | 3623 | 62% | 7% | 19% | 6% | 6% |
| 2014/15 | (6) Physical sciences | | 214 | 3952 | 8396 | 870 | 178 | 1745 | 417 | 404 | 1052 | 17228 | 59% | 5% | 24% | 7% | 5% |
| 2014/15 | (7) Mathematical sciences | | 92 | 1469 | 3473 | 357 | 84 | 472 | 338 | 131 | 390 | 6806 | 58% | 7% | 23% | 7% | 5% |
| 2014/15 | (8) Computer science | | 147 | 1389 | 8955 | 478 | 129 | 1336 | 254 | 216 | 1177 | 14081 | 73% | 3% | 11% | 9% | 3% |
| 2014/15 | (9) Engineering & technology | | 227 | 2619 | 14835 | 798 | 224 | 1365 | 841 | 366 | 1347 | 22622 | 72% | 5% | 13% | 7% | 4% |
| 2014/15 | (A) Architecture, building & planning | | 70 | 662 | 6873 | 300 | 101 | 537 | 431 | 148 | 399 | 9521 | 78% | 6% | 8% | 5% | 3% |
| 2014/15 | (B) Social studies | | 446 | 4951 | 20825 | 2031 | 442 | 4724 | 1321 | 1094 | 1792 | 37626 | 68% | 6% | 14% | 6% | 5% |
| 2014/15 | (C) Law | | 134 | 3454 | 7274 | 657 | 323 | 1245 | 611 | 844 | 614 | 15156 | 56% | 10% | 25% | 5% | 4% |
| 2014/15 | (D) Business & administrative studies | | 472 | 3602 | 30970 | 2072 | 400 | 4148 | 1911 | 852 | 2323 | 46750 | 75% | 6% | 9% | 6% | 4% |
| 2014/15 | (E) Mass communications & documentation | | 98 | 594 | 5498 | 482 | 59 | 1784 | 106 | 142 | 612 | 9375 | 78% | 3% | 7% | 8% | 5% |
| 2014/15 | (F) Languages | | 258 | 3711 | 9443 | 1447 | 365 | 3033 | 495 | 766 | 994 | 20512 | 61% | 6% | 20% | 6% | 7% |
| 2014/15 | (G) Historical & philosophical studies | | 184 | 3092 | 6887 | 1398 | 318 | 2478 | 504 | 639 | 806 | 16306 | 57% | 7% | 21% | 6% | 9% |
| 2014/15 | (H) Creative arts & design | | 328 | 3256 | 16544 | 1772 | 327 | 8248 | 506 | 926 | 2046 | 33953 | 73% | 4% | 11% | 7% | 5% |
| 2014/15 | (I) Education | | 101 | 2595 | 34219 | 1207 | 452 | 5209 | 1883 | 934 | 638 | 47238 | 83% | 6% | 6% | 2% | 3% |
| 2014/15 | (J) Combined | | 18 | 240 | 1147 | 515 | 94 | 547 | 296 | 38 | 98 | 2993 | 57% | 11% | 11% | 4% | 17% |
| 2014/15 | Total | | 3452 | 47121 | 237942 | 17956 | 4478 | 48384 | 12843 | 10023 | 17148 | 399347 | 72% | 6% | 13% | 5% | 4% |
| 2015/16 | (1) Medicine & dentistry | | 46 | 753 | 9000 | 192 | 31 | 339 | 190 | 58 | 76 | 10685 | 87% | 2% | 7% | 1% | 2% |
| 2015/16 | (2) Subjects allied to medicine | | 255 | 3248 | 33338 | 1160 | 572 | 4284 | 1299 | 677 | 671 | 45504 | 83% | 4% | 8% | 2% | 3% |
| 2015/16 | (3) Biological sciences | | 392 | 9012 | 17497 | 1938 | 513 | 5900 | 897 | 1995 | 1613 | 39757 | 59% | 7% | 24% | 5% | 5% |
| 2015/16 | (4) Veterinary science | | 6 | 20 | 642 | 14 | | 29 | 9 | 5 | 5 | 730 | 92% | 2% | 3% | 2% | 2% |
| 2015/16 | (5) Agriculture & related subjects | | 41 | 718 | 1900 | 198 | 31 | 421 | 109 | 160 | 119 | 3697 | 63% | 7% | 20% | 4% | 5% |
| 2015/16 | (6) Physical sciences | | 228 | 4314 | 8115 | 862 | 141 | 1587 | 301 | 448 | 971 | 16967 | 57% | 4% | 26% | 7% | 5% |
| 2015/16 | (7) Mathematical sciences | | 100 | 1609 | 3373 | 383 | 57 | 513 | 258 | 135 | 383 | 6811 | 57% | 6% | 24% | 7% | 6% |
| 2015/16 | (8) Computer science | | 153 | 1722 | 8679 | 495 | 126 | 1267 | 270 | 237 | 1122 | 14071 | 71% | 4% | 13% | 9% | 4% |
| 2015/16 | (9) Engineering & technology | | 245 | 2978 | 13946 | 800 | 251 | 1377 | 673 | 384 | 1201 | 21855 | 70% | 5% | 15% | 7% | 4% |
| 2015/16 | (A) Architecture, building & planning | | 101 | 579 | 6729 | 309 | 154 | 530 | 427 | 139 | 338 | 9306 | 78% | 6% | 8% | 5% | 3% |
| 2015/16 | (B) Social studies | | 515 | 5913 | 20661 | 2128 | 403 | 4612 | 1115 | 1322 | 1614 | 38283 | 66% | 6% | 16% | 6% | 6% |
| 2015/16 | (C) Law | | 142 | 3750 | 7118 | 696 | 293 | 1178 | 529 | 867 | 535 | 15108 | 55% | 9% | 27% | 4% | 5% |
| 2015/16 | (D) Business & administrative studies | | 504 | 4163 | 30631 | 2030 | 436 | 3989 | 1678 | 1055 | 2158 | 46644 | 74% | 6% | 10% | 6% | 4% |
| 2015/16 | (E) Mass communications & documentation | | 113 | 751 | 5171 | 424 | 52 | 1781 | 102 | 226 | 581 | 9201 | 76% | 4% | 9% | 8% | 5% |
| 2015/16 | (F) Languages | | 242 | 4048 | 8417 | 1218 | 409 | 2690 | 349 | 868 | 864 | 19105 | 58% | 6% | 23% | 6% | 6% |
| 2015/16 | (G) Historical & philosophical studies | | 197 | 3666 | 6747 | 1425 | 261 | 2339 | 360 | 765 | 797 | 16557 | 55% | 7% | 24% | 6% | 9% |
| 2015/16 | (H) Creative arts & design | | 371 | 3656 | 16066 | 1639 | 335 | 8364 | 462 | 1052 | 1693 | 33638 | 73% | 5% | 12% | 6% | 5% |
| 2015/16 | (I) Education | | 138 | 3180 | 31311 | 1147 | 351 | 4953 | 1476 | 997 | 599 | 44152 | 82% | 6% | 8% | 2% | 3% |
| 2015/16 | (J) Combined | | 20 | 248 | 898 | 393 | 80 | 312 | 109 | 102 | 74 | 2236 | 54% | 9% | 15% | 4% | 18% |
| 2015/16 | Total | | 3809 | 54328 | 230237 | 17450 | 4496 | 46466 | 10613 | 11491 | 15414 | 394304 | 70% | 6% | 15% | 5% | 4% |

Appendix F immediate queries/decisions required

Background and Context | Strategic Case | Financial Case | Management Case | Commercial Case | Conclusion

| | Group | Query/Decision Required |
|---|-----------------|--|
| 1 | Executive Board | Should all temporary roles be requested from the Agency in the first instance (if vacancies cannot be filled the Agency will then contact a preferred partner Agency, for example, Adecco/Step Ahead). |
| 2 | Executive Board | Should the SBE HR Policy be amended to take in to consideration matrix management? |
| 3 | Executive Board | Approval of the Financial forecast and charge rates - standard mark up for commission for internal and external staff has been assumed: internal (15%) external (20%). |
| 4 | SBE Board | Approval of the Financial forecast and charge rates - standard mark up for commission for internal and external staff has been assumed: internal (15%) external (20%). |
| 5 | SBE Board | Confirmation that any pension contributions should be from SBE. |
| 6 | SBE Board | Should the SBE HR Policy be amended to take in to consideration matrix management? |
| 7 | HR | Should the SBE HR Policy be amended to take in to consideration matrix management? |
| 8 | HR | What is the approach/policy to blind recruitment? |
| 9 | HR | What are the obligations between the student and the Agency in terms of sharing information obligations for sharing of information? |

Page 125

ENDS

| | |
|------------------|---|
| | CONFIDENTIAL |
| Paper title: | South Bank University Enterprises Ltd draft statutory accounts for the year ended 31 July 2017 |
| Board/Committee: | South Bank University Enterprises Ltd |
| Date of meeting: | 10 October 2017 |
| Author: | Rebecca Warren |
| Purpose: | Information and discussion |
| Recommendation: | The Board is requested to note the draft statutory accounts for the year ended 31 July 2017, and to note that KPMG have been appointed as auditors. |

The first draft of the statutory accounts follows. They are not yet complete. The figures and text which will need to be updated are highlighted in red:

- The gift aid and tax figures, which are currently being prepared by the auditors, KPMG, will need to be added.
- We are additionally awaiting notification from KPMG about the correct method to disclose the gift aid payment of £35,662 that was made after the year-end last year. On the profit and loss account, the brought forward reserves figure does not match the carried forward figure from last year – this will need to be updated. Note 11 shows a possible disclosure, but this should not be regarded as final.
- The Future Prospects paragraph in the Directors' report needs to be updated.
- The audit is currently taking place so the auditors may possibly ask for changes to be made to the accounts.

The Board of SBUEL is additionally asked to note that the Board of Governors of LSBU appointed KPMG as the group auditors at its meeting on 16 March 2017. As the accounts are consolidated, KPMG will therefore also be SBUEL's auditors.

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South Bank University Enterprises Limited

Report and Financial Statements

31 July 2017

DRAFT

South Bank University Enterprises Limited

Report and financial statements 2017

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 2 |
| Independent auditor's report | 4 |
| Statement of income and retained earnings | 5 |
| Balance sheet | 6 |
| Principal accounting policies | 7 |
| Notes to the accounts | 9 |

South Bank University Enterprises Limited

Report and financial statements 2017

Officers and professional advisers

Directors

Mr Richard Flatman

Mr Gurpreet Jagpal

Professor Paul Ivey (Chair)

Professor Hilary McCallion CBE – resigned 1 August 2017

Mr Michael Cutbill – appointed 16 March 2017

Secretary

Mr James Stevenson – resigned 7 December 2016

Mr Michael Broadway – appointed 7 December 2016

Registered Office

103 Borough Road
London
SE1 0AA

Bankers

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

Solicitors

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

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

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

Michelmores LLP, 48 Chancery Lane, London WC2A 1JF

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

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

South Bank University Enterprises Limited

Company Registration No. 2307211

Directors' report

Ownership

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

Review of Activities

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

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

Result for the year

Turnover of £2,513,509 was an increase of 9.5% from 2016. The company reported a loss of £25,778.

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.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

The directors confirm that:

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

Future Prospects

The Company foresees trading conditions to remain challenging over the next 12 months. Strong competition from other universities and external organisations, allied to generally tight trading conditions and cutbacks in Central and Local Government expenditure, are expected to impact upon the Company's activities and income. The Governments Higher Education and Research Bill and the UK's decision to leave the European Union will no doubt impact on the company's future business. The Company continues to focus on opportunities to increase its

South Bank University Enterprises Limited

Company Registration No. 2307211

Directors' report

incubation and tenant services as well as growing research and enterprise activities. The Company continues to lead and build its commercial engagement with the local community of start-ups and SMEs in South East London and more widely. The Company will continue to support the protection of and commercialisation of intellectual property generated by the University.

Directors who served during the year

Mr Richard Flatman

Mr Gurpreet Jagpal

Professor Paul Ivey (Chair)

Professor Hilary McCallion CBE – resigned 1 August 2017

Mr Michael Cutbill – appointed 16 March 2017

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 (2016: none).

No Director had any interests in the shares of the Company or any other group company (2016: none).

Employees

As at the year-end the Company had 21 employees. All other persons associated with the Company are employees of London South Bank University.

Auditors

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

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

Approval

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

Mr Richard Flatman

Director

23 November 2017

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 2017 which comprise the balance sheet, the statement of income and retained earnings, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

XXXX

Senior Statutory Auditor

for and on behalf of KPMG LLP

Statutory Auditor, Chartered Accountants

London

Date:

South Bank University Enterprises Limited

Statement of income and retained earnings Year ended 31 July 2017

| | | 2017 | 2016 |
|--|------|-----------------------------|-----------------------------|
| | Note | £ | £ |
| Turnover | 1 | 2,513,509 | 2,294,539 |
| Cost of sales | | <u>(1,090,341)</u> | <u>(745,393)</u> |
| Gross profit | | 1,423,168 | 1,549,146 |
| Administrative expenses | | <u>(1,450,544)</u> | <u>(1,383,970)</u> |
| Operating profit/loss | 2 | (27,376) | 165,176 |
| Interest receivable | 4 | 1,598 | 2,866 |
| | | <u> </u> | <u> </u> |
| Profit/loss on ordinary activities before taxation for the financial year | | (25,768) | 168,042 |
| | | <u> </u> | <u> </u> |
| Tax on profits on ordinary activities | 6 | - | - |
| | | <u> </u> | <u> </u> |
| Profit/loss for the financial year after taxation | | <u>(25,778)</u> | <u>168,042</u> |
| | | <u> </u> | <u> </u> |
| Retained profit at 1 August | | 116,957 | 134,577 |
| Gift aid paid | 5 | - | <u>(150,000)</u> |
| | | <u> </u> | <u> </u> |
| Retained profit at 31 July | | <u>91,179</u> | 152,619 |
| | | <u> </u> | <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 2017

| | 2017 | 2016 |
|---|--------------------|----------------|
| Note | £ | £ |
| Fixed assets | | |
| Investments | 7 24 | 69 |
| Current assets | | |
| Debtors | 8 906,260 | 400,454 |
| Cash at bank and in hand | 661,884 | 459,649 |
| | 1,568,144 | 860,103 |
| Creditors: amounts falling due within one year | 9 (1,476,979) | (707,543) |
| Net current assets | 91,165 | 152,560 |
| Total assets less current liabilities | 91,189 | 152,629 |
| Net assets | <u>91,189</u> | <u>152,629</u> |
| Capital and reserves | | |
| Called up share capital | 10 10 | 10 |
| Profit and loss account | 11 91,179 | 152,619 |
| Total equity shareholders' funds | <u>91,189</u> | <u>152,629</u> |

These financial statements were authorised and approved by the Board of Directors on 23 November 2017.

Signed on behalf of the Board of Directors

Mr Richard Flatman

Director

South Bank University Enterprises Limited

Principal accounting policies Year ended 31 July 2017

Basis of Preparation

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

This is the first year in which the financial statements have been prepared under FRS 102. The transition date for FRS 102 was 1 August 2014. Refer to note 14 for an explanation of the transition.

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

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

Accounting Convention

The accounts have been prepared under the historical cost convention.

Going Concern

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

Turnover

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

Cost of Sales

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

Fixed Asset Investments

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

Cash Flow Statement

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

Taxation

The Company makes a Gift Aid payment to London South Bank University during the year at an estimate intended to be sufficient to reduce any taxable profit for the year to zero, subject to the requirement not to cause the reserves of the Company to become negative. Following a change in accounting treatment, this policy in relation to taxation has changed to treat the gift aid payment as a movement in reserves rather than a reduction in profit before tax. This movement is shown on the face of the Statement of income and retained earnings, where the gift aid paid is shown as a movement in retained profit rather than as expenditure prior to taxation. The 2015 Statement of income and retained earnings has been restated, as has the taxation disclosure (note 6) where the gift aid payment is no longer removed from taxable profit and relief is obtained accordingly.

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

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

South Bank University Enterprises Limited

Principal accounting policies Year ended 31 July 2017

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 2017

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:

| | 2017 | 2016 |
|--------------------------|------------------|------------------|
| | £ | £ |
| United Kingdom | 2,489,724 | 2,290,593 |
| Other European countries | - | 3,946 |
| North America | 11,088 | - |
| Asia | 12,697 | - |
| | <u>2,513,509</u> | <u>2,294,539</u> |

2. Operating profit

| | 2017 | 2016 |
|--|--------------|--------------|
| | £ | £ |
| Operating profit is stated after charging | | |
| Fees payable to the Company's auditor: | | |
| - for taxation advice | 3,549 | 3,513 |
| | <u>3,549</u> | <u>3,513</u> |

The Company's audit fee of £2,750 has been included in the audit fee charged to London South Bank University. (2016: £4,188).

3. Staff costs and Directors' remuneration

The Company had 21 employees at the year-end (2016: 20). All other persons associated with the Company are employees of London South Bank University.

| | 2017 | 2016 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Costs: | | |
| Wages and salaries | 1,191,909 | 1,025,313 |
| Social security costs | 105,130 | 92,448 |
| Employers' pension contributions | 89,200 | 83,003 |
| | <u>1,386,239</u> | <u>1,200,764</u> |

No Director employed by the company received remuneration exceeding £100,000 (2016: none).

4. Interest receivable

| | 2017 | 2016 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Bank interest receivable | <u>1,598</u> | <u>2,866</u> |

5. Payment under Gift Aid

For the year ending 31 July 2017 the company has approved and paid **nil** of its taxable profit under the Gift Aid scheme to London South Bank University (2016: £150,000).

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2017

6. Taxation

The 2017 tax charge is nil (2016: nil).

| | 2017 | 2016 |
|---|----------|----------|
| | £ | £ |
| Profit on ordinary activities before tax | (25,778) | 168,042 |
| Taxation on profit on ordinary activities at xx % (2016: 20 %) | | 33,609 |
| Effects of: | | |
| Expenses not deductible for taxation purposes | | 4,777 |
| Other permanent differences | | - |
| Depreciation in excess of capital allowances | | - |
| Expense transfers – trade | | (2,953) |
| Other short-term timing differences | | 2,953 |
| Adjustment to closing deferred tax | | 631 |
| Unrelieved tax losses and other deductions | | (9,017) |
| Amounts charged directly to equity | | (30,000) |
| Current tax | - | - |

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

The amount of the asset not recognised is £xx (2016: £5,680).

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

Following a change in accounting policy (see page 8), payments in relation to gift aid are now treated as a movement in reserves.

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2017

7. Fixed Asset Investments

| | |
|------------------|----|
| | £ |
| At 1 August 2016 | 69 |
| At 31 July 2017 | 24 |

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

| Name of company | Percentage holding of ordinary shares | Nature of business | Date of last accounts | Profit/(loss) | Reserves |
|----------------------|---------------------------------------|---------------------------------|-----------------------|---------------|----------|
| | | | | £ | £ |
| Biox Systems Limited | 24% | Development of medical products | 31 Oct 2016 | (9,867) | 208,999 |

8. Debtors

| | 2017 | 2016 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 717,547 | 325,203 |
| Prepayments and accrued income | 186,161 | 73,506 |
| Other debtors | 2,552 | 1,745 |
| | <u>906,260</u> | <u>400,454</u> |

9. Creditors: amounts falling due within one year

| | 2017 | 2016 |
|--------------------------------|------------------|----------------|
| | £ | £ |
| Trade creditors | 597 | 13,322 |
| Amounts owed to parent company | 663,697 | 223,475 |
| Other creditors | 59,586 | 59,587 |
| Accruals and deferred income | 723,455 | 392,425 |
| HMRC and pension | 29,646 | 18,734 |
| | <u>1,476,979</u> | <u>707,543</u> |

South Bank University Enterprises Limited

Notes to the accounts Year ended 31 July 2017

10. Called up share capital

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Authorised: | | |
| 1,000 ordinary shares of £1 each | 1,000 | 1,000 |
| Called up, allotted and fully paid | | |
| 10 ordinary shares of £1 each | 10 | 10 |

11. Movement on total reserves

| | Share capital £ | Profit and loss account £ | Total shareholders surplus £ |
|--|-----------------------|---------------------------------|---------------------------------------|
| At 1 August 2016 | 10 | 152,619 | 152,629 |
| Loss for financial year after taxation | - | (25,778) | (25,778) |
| Gift aid payment | - | (35,662) | (35,662) |
| At 31 July 2017 | 10 | 91,179 | 91,189 |

12. Related party transactions

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

13. Ultimate parent company

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

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

| | |
|------------------|---|
| | CONFIDENTIAL |
| Paper title: | SBUEL budget 2017-18 |
| Board/Committee: | SBUEL |
| Date of meeting: | 10 October 2017 |
| Author: | Keith Would |
| Purpose: | Discussion and approval |
| Recommendation: | The board is asked to approve the budget. |

Executive Summary

The 2017-18 SBUEL budget is attached.

The income is budgeted to rise by £570k compared to 16-17.

This is because:

- a number of ERDF projects are starting in 17-18 or started at the end of 16-17, so will be generating income for the full year in 17-18.
- similarly there are some new projects in the School of Health and Social care.
- there is also a small rise due to HEFCE introducing some new funding grants for Enterprise activities.

The staff costs are budgeted to decrease by £269k. However this is because a number of projects will be delivered by LSBU employees. These are budgeted in their entirety in LSBU.

When it is known which employees in particular have worked on projects, their costs will be transferred to SBUEL throughout the year, to reflect the work done. Therefore the staff costs will be expected to rise through the year.

The Opex costs are broadly similar to 16-17. However, there are no consultancy costs budgeted re the expansion of the LSBU family.

These have been replaced by the Opex costs required to deliver some of the aforementioned new projects.

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South Bank University Enterprises Ltd

Management Summary Report from August 2017 To The End Of August 2017

SMT Area: All

Cost Centre: All

| Full Year Outturn Last Year (£) | Description | Code | Client | FULL YEAR | | |
|--|--|------|--------|----------------------|--------------------|---|
| | | | | 2017 Forecast (£) | 2017 Budget (£) | Variance - Forecast to Budget (£) % |
| (486,891) | Enterprise - Funding Grants | | | (539,086) | (539,086) | % |
| (38,313) | Enterprise - Research Related Activities | | | (86,250) | (86,250) | % |
| (1,973,130) | Enterprise - Other | | | (2,457,126) | (2,457,126) | % |
| (15,175) | Other - Operating Income | | | | | |
| (1,598) | Endowment Income & Interest Receivable | | | | | |
| (2,515,107) | Total Income | | | (3,082,462) | (3,082,462) | % |
| 256,618 | Academic - Permanent staff | | | 119,586 | 119,586 | % |
| 3,095 | Academic - Temporary staff | | | | | |
| 1,079,251 | Support - Permanent staff | | | 1,075,408 | 1,075,408 | % |
| 47,275 | Support - Temporary staff | | | | | |
| 57,208 | Third party staff | | | (20,028) | (20,028) | % |
| 1,443,447 | Total Staff Costs | | | 1,174,966 | 1,174,966 | % |
| 77,563 | Staff Related | | | 108,946 | 108,946 | % |
| 68,609 | Marketing and PR | | | 81,316 | 81,316 | % |
| 3,500 | Bursaries and Scholarships | | | | | |
| 7,249 | Student Related | | | | | |
| 10,135 | Equipment | | | | | |
| 72,013 | Computing | | | 47,396 | 47,396 | % |
| 272,836 | Utilities | | | 305,662 | 305,662 | % |
| 44,927 | Maintenance & Other Estate | | | 24,000 | 24,000 | % |
| 10,266 | Cleaning & Security | | | | | |
| 36,359 | Financial | | | | | |
| 8,136 | Communications | | | 15,000 | 15,000 | % |
| 310,038 | Legal & Professional | | | 273,205 | 273,205 | % |
| 32,954 | Subscriptions and Membership Fees | | | 35,226 | 35,226 | % |
| 5,888 | Photocopying and Stationery | | | 2,388 | 2,388 | % |
| 134,760 | Other | | | 92,031 | 92,031 | % |
| 2,207 | Internal Recharges | | | 25,430 | 25,430 | % |
| 1,097,438 | Total Other Operating Expenses | | | 1,010,600 | 1,010,600 | % |
| 25,778 | Contribution | | | (896,895) | (896,895) | % |
| | Contribution % | | | 29.1% | 29.1% | |

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Agenda Item 10

| | |
|------------------|---|
| | CONFIDENTIAL |
| | |
| Paper title: | SBUEL Change Proposal |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 10 October 2017 |
| Author: | Gurpreet Jagpal, LSBU |
| Purpose: | Seeking approval from the SBUEL Board to proceed with the changes highlighted in the proposal and presentation. |
| Recommendation: | The board is requested to approve the proposal. |

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PRIVATE AND CONFIDENTIAL

Research, Enterprise and Innovation
(SBUEL employees)

Proposal for Restructuring

October 2017

1. Purpose

The purpose of this document is to present proposals for restructuring of the Research, Enterprise and Innovation (REI) SBUEL team arising out of a review conducted by the PVC Research and External Engagement and the Director of REI/CEO SBUEL. Due to increased staffing and line management responsibilities, opportunities to secure additional income and changes in the external environment, there is a need to restructure the existing team to deliver the University's research and enterprise income targets.

2. Background

REI has existed in its current form since September 2014, when the current Director 'merged' the research and enterprise functions, developed LSBU's overarching strategy for research and enterprise and embedded a team structure to support this. Over the last few years the team has secured additional research and enterprise income, successfully won several ESIF funded projects and achieved the Times Higher Entrepreneurial University of the Year win.

It is important to note that the current REI structure includes both LSBU and SBUEL employees but this proposal is for SBUEL employees only.

3. Business Case

SUMMARY

Currently the structure of REI, as outlined in section 5, sees the Director having line management responsibility for 8 individuals as follows:

1. PA and Team Administrator
2. Associate Director Research, and Head of London Doctoral Academy
3. Head of Compliance and Systems
4. Head of Institutes
5. Head of Knowledge Exchange Institute
6. Head of Entrepreneurship and Innovation Institute
7. Head of Strategic Projects
8. Tenants and Facilities Manager

Given the nature of the work of the Director and an increasing focus on developing Overseas Research and Enterprise Centres, the current line management duties are not being fulfilled to their maximum, leaving some of the direct reports without the required leadership and management.

The addition of the Associate Director Research, and Head of London Doctoral Academy (earlier in 2016/17 academic year) has provided some much welcome relief to the Director of REI and allowed operational responsibility to be moved across. This change proposal outlines a similar approach to the areas of Enterprise and Innovation that will allow the Director REI to take on more strategic responsibility whilst handing over operational responsibility to 2 new Associate Directors.

CURRENT SITUATION

This business case deals with the SBUEL staff only, but reference is made to the wider REI team.

Enterprise Institutes and Knowledge Exchange (SBUEL Staff)

Similarly, to the Director, the the Head of Enterprise Institutes has 9 direct reports which is proving to be very burdensome to manage, especially in light of challenging sales targets. Other issues:

- Institute management is split between Head of Institutes (HWI; SCI; CDE and GC) and Head of Knowledge Exchange (KE)
- Head of Institutes is leaving in September 2017
- Institutes also include ERDF funded project staff that would better sit elsewhere in REI (under Strategic Projects who provide ESIF Contract Management)
- Number of KTPs is low to sustain 3 posts within the KE institute

Strategic Projects (SBUEL Staff)

This area has seen significant growth in securing grant-funded enterprise projects and continues to maintain a first-class record in their ability to win and deliver new business. The main issues in this area:

- Key ERDF project staff line managed elsewhere (under Enterprise Institutes)
- Job descriptions not reflective of actual roles
- Management burden on Daisy Chatterton

KEY FINDINGS

- Too great a line management burden on Director REI and Head of Institutes
- Peter Benson (Head of Institutes) has left – need to plan for his teams
- Current REI structure needs refining to accommodate additional work and ensure efficiency in operations – this is imperative to support future growth in line with the Corporate Strategy.

PROPOSAL

Considering the above and following internal discussions the proposal is to:

- Create an additional “Associate Director Innovation” post
- To create a new ‘Directors Executive Office’ for Compliance and Systems and the Directors PA
- To ‘disband’ the KE Institute and ‘merge’ with the 4 Enterprise Institutes. Because of these changes we expect to:
 - Restructure the current team to incorporate the existing KE Institute team (x2 staff)
 - Move the Enterprise Institute staff working on ERDF funded projects (x2) to Strategic Projects where the contracts are directly managed
- Restructure the Strategic Projects Team

FINANCIAL SITUATION

Given the resignation of Peter Benson and realignment of posts there will be no additional budget implications or requirements than those already secured.

4. Proposed changes

Positions to be disestablished

| Position Title | Grade | FTE | Proposed Impact |
|------------------------------------|-------|-----|---|
| Head of Knowledge Exchange (SBUEL) | £53k | 1.0 | Neil Pearce at risk but can move to Head of Institutes (see below) |
| 1 x KE Development Manager (SBUEL) | £44k | 1.0 | There are currently two KE Managers and both will be at risk as under the revised structure only one of these roles exist |

New Positions to be created:

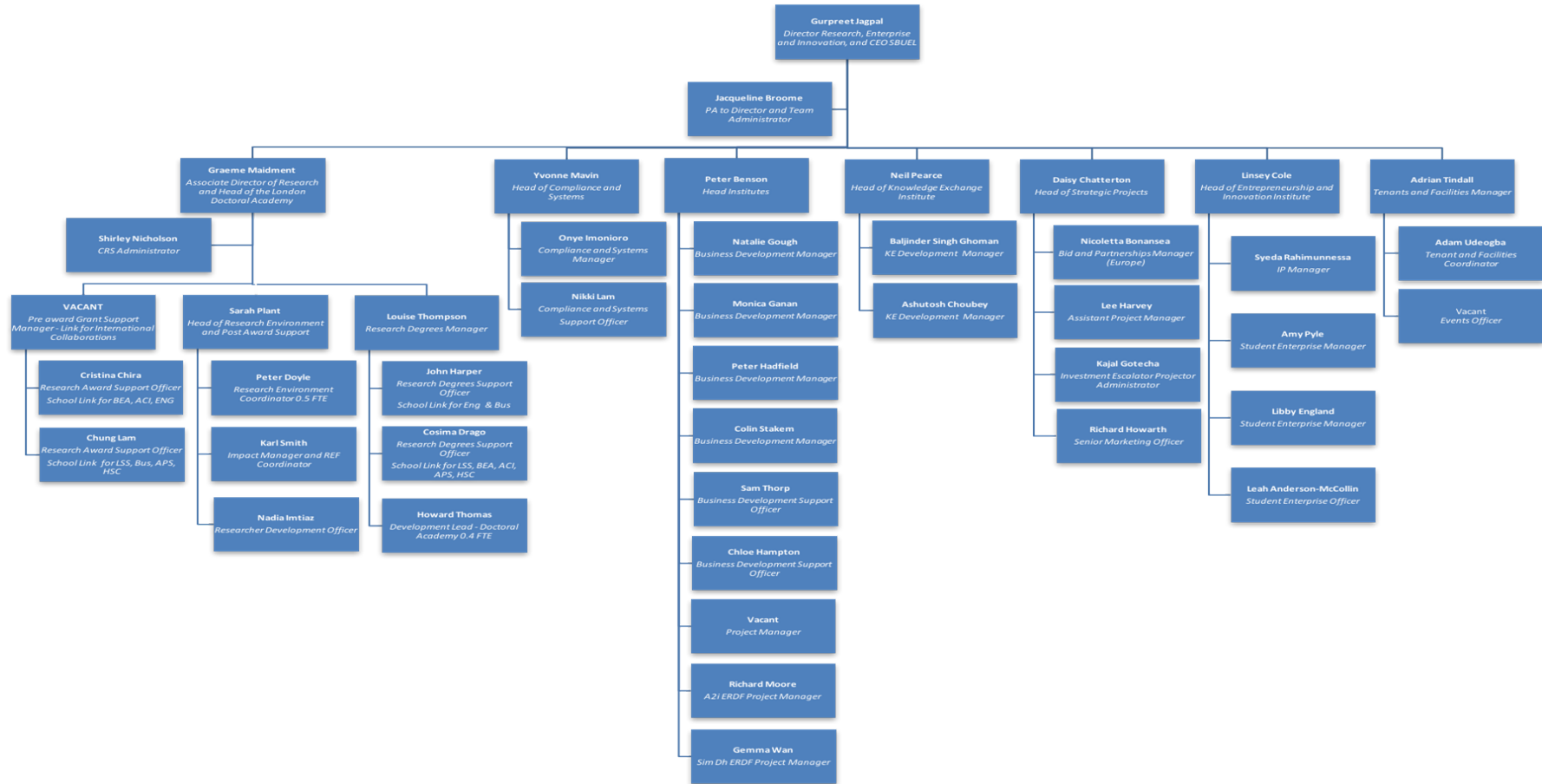
| Position Title | Grade | FTE | Proposed Impact |
|--|------------|-----|---|
| Associate Director Innovation (SBUEL) | £65k (TBC) | 1.0 | This will be a new position |
| KE Development Support Officer (SBUEL) | £28.5k | 1.0 | As there will only be one KE Development Manager post in the new structure, I envisage one of the KE Managers moving to this role based upon a transparent and appropriate procedure. |

Positions to be changed – the position title reflects the new job title and not current ones:

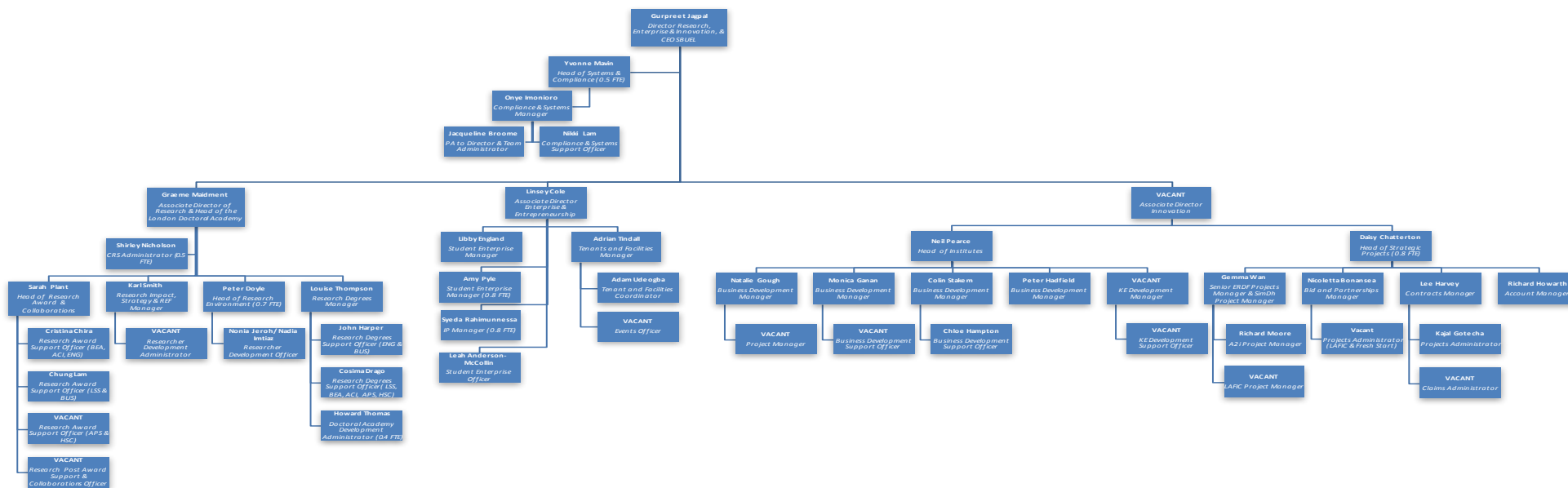
| Current Position Title | New Grade | FTE | Proposed Impact |
|---|-----------|-----|--|
| Richard Moore – A2i Project Manager (SBUEL) | £44k | 1.0 | Line Management to move to Daisy Chatterton |
| Gemma Wan – Sim Dh Project Manager (SBUEL) | £47k | 1.0 | Line Management to move to Daisy Chatterton and job title and JD to be revised and re-appraised. New job title: Senior ERDF Project Manager |
| Nicoletta Bonansea – EU Bids and | £44k | 0.8 | Remove EU from Job Title |

| | | | |
|--|--------|-----|--|
| Partnerships Manager (SBUEL) | | | New job title: Bids and Partnerships Manager |
| Lee Harvey – Assistant Project Manager (SBUEL) | £36.5k | 1.0 | Job title and JD to be revised and re-appraised. New job title: Contracts Manager |
| Richard Howarth – Sr. Marketing Officer - Strategic Projects (SBUEL) | £35.5k | 1.0 | Job title and JD to be revised and re-appraised. New job title: Account Manager |
| Neil Pearce – Head of Knowledge Exchange | £60k | 1.0 | To move to Head of Institutes role, has already moved (4 th September) |

5. Current Structure



6. Proposed Structure



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| | |
|------------------|---|
| | CONFIDENTIAL |
| Paper title: | Debtors report October 2017 |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 10 October 2017 |
| Author: | Rebecca Warren/Adrian Tindall |
| Purpose: | To note |
| Recommendation: | The Board is requested to note the debtor's report at 28 September 2017 |

The two attached tables show firstly the totals from the weekly aged debtor reports for SBUEL, and secondly the most recent report (28 September) broken down by debtor and debtor type.

Since the last Board meeting there has been an overall drop in debtors of £338k, due primarily to the payment of several particularly large debtors. 90+ and 31-60 day debtors experienced a slight increase, but 1-30 and 61-90 day debtors experienced significant reductions.

Those tenants on payment plans continue to pay on a regular basis, and the tenancy team with the support of the LSBU income team are driving towards reducing the debtors list, including having all office occupiers pay by standing order.

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| | Not currently due | 1-30 days overdue | 31-60 days overdue | 61-90 days overdue | 90+ days overdue | Total |
|-------------------|-------------------|-------------------|--------------------|--------------------|------------------|---------------|
| 1st June 2016 | 298,485 | 21,815 | 31,647 | 80,279 | 108,099 | 540,325 |
| 06/10/2016 | 150,689 | 66,403 | 63,978 | 18,548 | 103,538 | 403,156 |
| 13/10/2016 | 120,615 | 86,615 | 25,098 | 23,394 | 102,664 | 358,386 |
| 20/10/2016 | 157,848 | 88,885 | 22,829 | 22,619 | 102,664 | 394,844 |
| 27/10/2016 | 151,465 | 79,504 | 3,005 | 43,215 | 110,193 | 381,373 |
| 02/11/2016 | 215,238 | 26,421 | 26,533 | 49,748 | 120,361 | 438,301 |
| 24/11/2016 | 166,135 | 83,087 | 26,259 | 6,513 | 107,719 | 389,713 |
| 30/11/2016 | 145,386 | 79,969 | 14,321 | 8,385 | 131,584 | 362,875 |
| 08/12/2016 | 186,775 | 99,453 | 32,415 | 24,446 | 107,297 | 450,385 |
| 15/12/2016 | 110,851 | 149,029 | 23,590 | 25,886 | 103,360 | 412,716 |
| 05/01/2017 | 189,756 | 123,349 | 73,677 | 20,418 | 119,302 | 526,501 |
| 12/01/2017 | 169,658 | 44,602 | 122,415 | 18,978 | 117,786 | 473,440 |
| 19/01/2017 | 168,400 | 43,000 | 85,574 | 54,399 | 117,152 | 468,525 |
| 26/01/2017 | 122,390 | 39,626 | 30,777 | 50,927 | 114,800 | 358,521 |
| 02/02/2017 | 235,198 | 3,579 | 35,913 | 64,765 | 129,214 | 468,669 |
| 08/02/2017 | 209,424 | 47,080 | 24,088 | 51,022 | 116,381 | 447,996 |
| 16/02/2017 | 203,257 | 43,641 | 15,562 | 46,485 | 108,425 | 417,369 |
| 23/02/2017 | 146,195 | 64,254 | 11,562 | 13,303 | 141,097 | 376,410 |
| 27/02/2017 | 70,029 | 107,440 | 10,222 | 12,252 | 109,419 | 309,363 |
| 07/03/2017 | 110,578 | 97,383 | 35,905 | 7,941 | 112,637 | 364,444 |
| 16/03/2017 | 106,923 | 80,869 | 17,668 | 8,532 | 109,409 | 323,400 |
| 23/03/2017 | 96,078 | 44,817 | 51,871 | 6,900 | 106,292 | 305,958 |
| 29/03/2017 | 448,668 | 23,546 | 66,270 | 6,900 | 106,292 | 651,676 |
| 06/04/2017 | 772,025 | 86,210 | 72,559 | 15,805 | 112,766 | 1,059,365 |
| 13/04/2017 | 794,078 | 87,700 | 73,279 | 15,041 | 112,766 | 1,082,863 |
| 20/04/2017 | 750,663 | 51,685 | 27,677 | 48,900 | 107,434 | 986,359 |
| 26/04/2017 | 404,518 | 403,060 | 26,959 | 43,500 | 105,774 | 983,811 |
| 04/05/2017 | 410,784 | 459,725 | 32,355 | 60,833 | 113,325 | 1,077,021 |
| 11/05/2017 | 158,674 | 724,023 | 34,628 | 61,553 | 111,975 | 1,090,854 |
| 18/05/2017 | 158,194 | 724,503 | 34,568 | 61,613 | 111,975 | 1,090,854 |
| 01/06/2017 | 95,744 | 290,095 | 390,717 | 32,987 | 125,385 | 934,928 |
| 08/06/2017 | 127,504 | 101,404 | 648,400 | 21,819 | 139,979 | 1,039,106 |
| 15/06/2017 | 219,743 | 76,907 | 551,436 | 19,706 | 136,071 | 1,003,863 |
| 22/06/2017 | 117,984 | 88,346 | 551,134 | 16,342 | 136,071 | 909,878 |
| 29/06/2017 | 105,412 | 56,484 | 159,859 | 377,517 | 136,397 | 835,669 |
| 06/07/2017 | 142,823 | 82,076 | 69,950 | 492,722 | 145,481 | 933,050 |
| 12/07/2017 | 112,282 | 112,617 | 67,723 | 494,949 | 145,481 | 933,050 |
| 19/07/2017 | 139,767 | 83,913 | 55,256 | 493,539 | 139,084 | 911,558 |
| 27/07/2017 | 167,634 | 40,924 | 38,301 | 176,571 | 473,778 | 897,208 |
| 02/08/2017 | 261,846 | 3,747 | 42,185 | 133,316 | 531,513 | 965,112 |
| 10/08/2017 | 191,205 | 59,726 | 31,446 | 46,401 | 271,604 | 600,382 |
| 17/08/2017 | 187,414 | 62,188 | 29,039 | 36,501 | 252,603 | 567,746 |
| 24/08/2017 | 246,973 | 95,455 | 21,465 | 17,869 | 258,734 | 640,495 |
| 31/08/2017 | 199,580 | 114,295 | 1,017 | 20,223 | 274,543 | 607,624 |
| 07/09/2017 | 225,352 | 121,665 | 33,878 | 19,185 | 275,581 | 675,660 |
| 14/09/2017 | 177,682 | 93,080 | 32,469 | 17,776 | 196,152 | 517,158 |
| 21/09/2017 | 86,066 | 60,222 | 58,544 | 17,022 | 195,270 | 417,125 |
| 28/09/2017 | 166,912 | 40,138 | 78,628 | 19,072 | 193,220 | 497,970 |
| Difference | 80,845 | 20,084 | 20,084 | 2,049 | 2,049 | 80,845 |

| T | CustID | CustID (T) | Type | current | 1-30 days | 31-60 days | 61-90 days | 90+ | Rest amount |
|---|--------|---|-------------|---------|-----------|------------|------------|--------|-------------|
| B | 2531 | 7E YOUTH ACADEMY | Conference | - | - | - | - | 396 | 396 |
| B | 2501 | ARUP LTD | Conference | - | - | - | - | 1,038 | 1,038 |
| B | 2644 | Berkshire Healthcare NHS Fndtn Trust | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2374 | CALDER CONFERENCES | Conference | - | - | - | - | 1,279 | 1,279 |
| B | 2639 | Calderdale & Huddersfield NHS Fdtn Trst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2407 | Canterbury Christ Church University | Conference | 3,485 | - | 871 | - | - | 4,356 |
| B | 1864 | Chartered Inst of Buildg Service Engineers | Conference | - | - | 1,524 | - | - | 1,524 |
| B | 2411 | CLARITY TRAVEL MANAGEMENT | Conference | - | 280 | - | - | - | 280 |
| B | 1341 | COSTAIN CONSTRUCTION LTD | Conference | - | - | - | - | 837 | 837 |
| B | 2645 | County Durham & Darlington NHS Fndt Tst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2640 | Dorset HealthCare Univisity NHS Fndt Trst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2650 | East Lancashire Hospitals Trust | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2648 | Epsom& St Helier Univ Hospitals NHS Tst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2657 | GAPPS | Conference | - | 418 | - | - | - | 418 |
| B | 2654 | Great Western Hospital NHS Fndt Trst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2638 | HUMBER NHS FOUNDATION TRUST | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 1724 | ICAN DISTRICT UK | Conference | - | 300 | - | - | - | 300 |
| B | 2303 | INSTITUTE OF FINANCIAL ACCOUNTANTS | Conference | - | 2,042 | - | 2,194 | - | 152 |
| B | 2105 | KINGSTON UNIVERSITY | Conference | - | - | 3,460 | - | 5,054 | 8,514 |
| B | 2649 | Leeds Community Healthcare NHS Tst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2132 | LONDON ASSOCIATION FOR CONTINENCE | Conference | - | - | 2,174 | - | - | 2,174 |
| B | 2485 | NHS CHOICES | Conference | - | - | - | - | 1,459 | 1,459 |
| B | 2014 | NHS ENGLAND | Conference | - | - | - | - | 405 | 405 |
| B | 2641 | NHS Lincolnshire West CG3 | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2642 | NHS PENNINE CARE FOUNDATION TRUST | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2157 | NHS PROPERTY SERVICES | Conference | - | - | - | - | 14,496 | 14,496 |
| B | 1447 | Permanent Way Instn (London Section) | Conference | - | 124 | 104 | - | - | 21 |
| B | 2418 | PLACE AND SPACE RESEARCH | Conference | - | - | - | - | 958 | 958 |
| B | 2149 | RED HAT INC | Conference | - | - | - | - | 8,446 | 8,446 |
| B | 2643 | ROTHERHAM NHS FOUNDATION TRUST | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2653 | Royal Berkshire NHS Foundation Trust | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 2652 | Royal Surrey County Hospital NHS FT | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 1074 | SOUTHWARK COUNCIL | Conference | - | - | 475 | - | 2,577 | 3,053 |
| B | 2436 | Spectrecom Films Ltd | Conference | - | - | - | - | 1,440 | 1,440 |
| B | 2401 | SQUARE 2 MARKETING | Conference | - | - | - | - | 569 | 569 |
| B | 2651 | St Helens & Knowsley Teaching Hosp NHS Tst | Conference | 1,296 | - | - | - | - | 1,296 |
| B | 1949 | THE ENERGY INSTITUTE | Conference | 594 | - | - | - | - | 594 |
| B | 2198 | UK POWER NETWORK SERVICES | Conference | - | - | - | - | 2,296 | 2,296 |
| B | 1480 | UNIVERSITY OF SALFORD | Conference | - | - | 875 | - | - | 875 |
| B | 2595 | WALL STREET PREP | Conference | - | - | 1,991 | - | - | 1,991 |
| | | Conference Total | | 21,915 | 124 | 13,668 | - | 41,250 | 76,708 |
| B | 2294 | POST OFFICE LTD | Ex-Tenant | - | - | - | - | 65 | 65 |
| B | 2286 | R J METIS LTD | Ex-Tenant | - | - | - | - | 3,132 | 3,132 |
| B | 2394 | SISKIN PROPERTY INVESTMENTS LTD | Ex-Tenant | - | - | - | - | 210 | 210 |
| B | 2273 | Valiant Business Media Ltd | Ex-Tenant | - | - | - | - | 1,087 | 1,087 |
| | | Ex-Tenant Total | | - | - | - | - | 3,945 | 3,945 |
| B | 2483 | Allen Carr's Easyway(International) Ltd | Stakeholder | - | - | - | - | 41,429 | 41,429 |
| B | 1568 | BARTS AND THE LONDON NHS TRUST | Stakeholder | 74 | - | - | - | 27,191 | 27,265 |
| B | 2518 | BEN CHIJKOKE | Stakeholder | - | - | - | - | 1,440 | 1,440 |
| B | 2623 | BMP (The Sound Recording Company) | Stakeholder | 240 | - | - | - | - | 240 |
| B | 2085 | BRITISH YOUTH OPERA | Stakeholder | 5,979 | - | - | - | - | 5,979 |
| B | 2656 | CASUAL FILMS | Stakeholder | 792 | - | - | - | - | 792 |
| B | 2487 | Ice Health Cryotherapy | Stakeholder | - | 135 | - | - | - | 135 |
| B | 1529 | IMPERIAL COLLEGE LONDON | Stakeholder | - | 1,500 | - | - | - | 1,500 |
| B | 2232 | INTERACTIVE | Stakeholder | - | - | - | - | 7,228 | 7,228 |
| B | 2646 | JTB EUROPE LTD | Stakeholder | 2,131 | 11,887 | - | - | - | 9,756 |
| B | 2139 | LOCATION WORKS | Stakeholder | - | - | - | - | 1,440 | 1,440 |
| B | 1821 | LONDON BOROUGH OF LAMBETH | Stakeholder | - | - | - | - | 16,500 | 16,500 |
| B | 2622 | Norfolk and Waveney Enterprise Services | Stakeholder | - | 6,000 | - | - | - | 6,000 |
| B | 2281 | Royal Institution of Chartered Surveyors | Stakeholder | 30,000 | - | - | - | - | 30,000 |
| B | 2596 | ST ANDREW'S HEALTHCARE | Stakeholder | 26,331 | - | - | - | - | 26,331 |
| B | 2627 | The Health Foundation | Stakeholder | 3,960 | - | - | - | - | 3,960 |
| B | 2536 | University College London Hospitals | Stakeholder | - | - | - | - | 180 | 180 |
| B | 2601 | WORLD EDUCATION, INC | Stakeholder | - | - | - | - | 754 | 754 |
| | | Stakeholder Total | | 65,244 | 19,522 | - | - | 62,802 | 147,568 |
| B | 2488 | Active Communities Network | Tenant | 5,331 | - | 5,115 | - | 399 | 10,845 |
| B | 2464 | ALTERLINE RESEARCH LTD | Tenant | 842 | - | 842 | 842 | - | 2,525 |
| B | 2442 | ASPYPE GROUP LTD | Tenant | - | - | 97 | 60 | 654 | 810 |
| B | 2222 | BIOX LTD | Tenant | - | - | 1,560 | - | - | 1,560 |
| B | 2283 | BREATHE ART HEALTH RESEARCH | Tenant | 1,526 | 1,526 | 171 | - | 36 | 3,259 |
| B | 2465 | BYRON ALEXANDER TABULA | Tenant | - | - | - | - | 480 | 480 |
| B | 2225 | CAMERON WILDING | Tenant | - | - | - | - | 19 | 19 |
| B | 1479 | CARA (Council for Asisting Refugee Acdmics) | Tenant | - | - | 7,038 | - | - | 7,038 |
| B | 2292 | CareTrade Charitable Trust | Tenant | 1,942 | - | 1,755 | - | 341 | 4,037 |
| B | 2521 | CENTRE FOR MENTAL HEALTH | Tenant | 3,334 | - | 4,033 | - | 300 | 7,667 |
| B | 2597 | CETEC FORAY LTD | Tenant | 840 | - | - | - | - | 840 |
| B | 2388 | Clinical Science & Technology Ltd | Tenant | 873 | 774 | 1,941 | 774 | 360 | 4,002 |
| B | 2226 | COGITARE | Tenant | 2,708 | - | 2,671 | 437 | 32 | 5,848 |
| B | 2445 | COLLABORATE | Tenant | - | - | 1,589 | - | 245 | 1,834 |
| B | 2363 | College of Contemporary Health | Tenant | 3,884 | - | - | - | - | 3,884 |
| B | 2268 | DISABILITY SPORTS COACH | Tenant | - | - | 1,782 | - | 120 | 1,902 |
| B | 2299 | DOING SOCIAL | Tenant | - | - | 60 | - | - | 60 |
| B | 2540 | DURDAR CONSULTING | Tenant | 60 | - | - | - | - | 60 |
| B | 2484 | EUCLID NETWORK | Tenant | - | - | - | - | 2,400 | 2,400 |
| B | 2395 | F & F Business Strategies Ltd | Tenant | 770 | 770 | 770 | 770 | 78 | 3,156 |
| B | 2229 | FIRST THOUGHT IP | Tenant | 1,968 | - | 1,871 | 1,776 | 16,164 | 21,778 |
| B | 2274 | FOREAGSEKONOMISKA INSTITUET | Tenant | 4,311 | - | - | - | - | 4,311 |
| B | 2493 | FUTURE SPACE TECHNOLOGIES | Tenant | 60 | 60 | 60 | - | - | 180 |
| B | 2231 | IHRA | Tenant | 2,554 | - | - | - | 3,034 | 480 |
| B | 2251 | IMAGES & CO | Tenant | 1,407 | 1,409 | - | - | 9 | 2,808 |
| B | 2321 | INPUD | Tenant | 1,858 | 1,858 | 523 | 1 | 5,953 | 10,192 |
| B | 2242 | Jevon Davies T/a Silicon Thoughts | Tenant | - | - | - | 745 | 745 | 1,491 |

| | | | | | | | | | |
|---|------|--------------------------------|---------------------|----------------|---------------|---------------|---------------|----------------|----------------|
| B | 2339 | JOHNSON RIBOLLA LTD | Tenant | 63 | - | - | - | 36 | 99 |
| B | 2359 | KBM Training & Recruitment Ltd | Tenant | 288 | - | 144 | - | 4,787 | 5,219 |
| B | 2234 | KINASE LTD | Tenant | 5,713 | - | - | - | 135 | 5,578 |
| B | 2495 | LENGUACTIVA LTD | Tenant | 60 | - | - | - | - | 60 |
| B | 2233 | LONDON YOUTH GAMES | Tenant | 1,930 | - | - | - | - | 1,930 |
| B | 2524 | LUMA CREATIVE | Tenant | 842 | - | - | - | - | 842 |
| B | 2235 | MILLION+ | Tenant | 211 | - | - | - | 53 | 264 |
| B | 2314 | MPS WORKS LTD | Tenant | 1,458 | - | - | - | 9 | 1,467 |
| B | 2357 | Mykindacrowd Limited | Tenant | 5,400 | 5,400 | 4,241 | 5,400 | 5,784 | 26,225 |
| B | 2218 | Naked Creativity | Tenant | - | - | - | 2,429 | - | 2,429 |
| B | 2236 | NEW MEDICA | Tenant | - | - | 4,988 | - | 4,383 | 9,372 |
| B | 2600 | PRO BONO ECONOMICS | Tenant | 1,020 | - | 973 | - | 2,049 | 2,002 |
| B | 2239 | PROTIMOS FOUNDATION | Tenant | 792 | 792 | 90 | - | 16,161 | 17,835 |
| B | 2427 | PULSE MEDIC SERVICES LTD | Tenant | - | - | - | - | 500 | 500 |
| B | 2297 | PULSE MEDIC SERVICES LTD | Tenant | 729 | 729 | 729 | 729 | 17,733 | 20,649 |
| B | 2358 | RED LANTERN DIGITAL MEDIA LTD | Tenant | 883 | - | - | - | - | 883 |
| B | 2288 | REVOLVING DOORS AGENCY | Tenant | 2,451 | 1,673 | 1,438 | - | - | 5,563 |
| B | 2489 | RIO FERDINAND FOUNDATION | Tenant | 1,475 | - | 1,237 | - | - | 2,711 |
| B | 2336 | SCHOOL EXPLAINED LTD | Tenant | - | 3,550 | 3,586 | 3,550 | 7,480 | 18,166 |
| B | 2387 | SCHOOL OF WOK | Tenant | 770 | - | - | - | - | 770 |
| B | 2195 | SHARP CLOUD SOFTWARE | Tenant | - | - | - | - | 2,469 | 2,469 |
| B | 2241 | SHARPCLOUD | Tenant | 2,854 | - | - | - | - | 2,854 |
| B | 2520 | SIGMA GROUP LTD | Tenant | 1,560 | - | 1,560 | 1,560 | 1,560 | 6,240 |
| B | 2548 | SILICON RHINO | Tenant | 885 | - | - | - | - | 885 |
| B | 2243 | SOLION | Tenant | - | - | 6,112 | - | - | 6,112 |
| B | 1927 | SOLION LTD | Tenant | - | - | - | - | 5,884 | 5,884 |
| B | 2337 | STOKE AND DAGGER | Tenant | 1,521 | - | 27 | - | - | 1,548 |
| B | 2598 | Tagsmart | Tenant | 2,450 | 700 | - | - | - | 3,150 |
| B | 2434 | THE POWER TO CHANGE | Tenant | 6,015 | - | 7,766 | - | 883 | 14,664 |
| B | 2392 | THREE HANDS LTD | Tenant | 2,568 | - | - | - | 27 | 2,595 |
| B | 2245 | TOCA TRAINING | Tenant | 648 | - | - | - | 588 | 1,236 |
| B | 2246 | TRYTAG RUGBY | Tenant | 2,520 | - | - | - | - | 2,520 |
| B | 2247 | VANGUARDIA | Tenant | 957 | - | 95 | - | 66 | 985 |
| B | 2248 | WINE FUSION | Tenant | 1,500 | 1,500 | 143 | - | 1,451 | 4,594 |
| B | 2541 | Zzish | Tenant | 4,328 | - | 2,022 | - | - | 6,349 |
| | | | Tenant Total | 79,752 | 20,740 | 64,960 | 19,072 | 85,224 | 269,749 |
| | | | Grand Total | 166,912 | 40,138 | 78,628 | 19,072 | 193,220 | 497,970 |

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Agenda Item 12

| | |
|----------------|--|
| | CONFIDENTIAL |
| Board: | SBUEL Board |
| Date: | 10 th October 2017 |
| Paper title: | Risk Register |
| Author: | Gurpreet Jagpal Director Research, Enterprise and Innovation, and CEO South Bank University Enterprises Ltd. |
| Purpose | |
| Recommendation | For information only. |

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Standard Risk Register



| | |
|-----------------------|-----------------|
| Report Date | 02 Oct 2017 |
| Risk Status | Open |
| Risk Owner | Gurpreet Jagpal |
| Control Status | Existing |
| Action Status | Outstanding |

Standard Risk Register



Page 166

| Risk Ref | Risk Title | Risk Owner | Cause & Effect | Inherent Risk Priority | Risk Control | Residual Risk Priority | Action Required | Person Responsible | To be implemented by |
|----------|--|-----------------|--|------------------------------|--|------------------------------|---|--------------------|----------------------|
| REI 1 | Inability to maintain or grow research activity and income | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Inability to incentivise academics to engage in research activity (reward and recognition). • Insufficient staff with the inclination/expertise to secure and deliver quality research projects • Over reliance on a limited number of core staff to deliver research activities • No formal process to identify and nurture new academics interested in undertaking research activities • Loss of key research staff. • More stringent requirements/eligibility criteria for applying for funds e.g. Athena Swan status for NIHR, Concordats - Researcher Development; Public Engagement; Research Integrity • Competition from other HEIs. • Increased selectivity by key research funders • Loss of EU funding from BREXIT. • Ineffective/Poor use of existing LSBU QR funds • Greater concentration of QR and Research Council Funding <p>Effect:</p> <ul style="list-style-type: none"> • Target year-on-year research income growth is not achieved • Impact on diversification of University income streams • Reduced/narrower research portfolio • Reputation for high quality Applied Research and associated income growth are affected and along with REF scoring • Loss of high profile research staff/Impact on staff morale • Impact on relevance of taught course portfolio (student experience). • University's teaching authority is reduced | I = 3 L = 1 Medium (3) | <ul style="list-style-type: none"> • Regular events on research opportunities/ matters delivered throughout year • Key Skills programme • Delivery of part 2 of the action plan for HR Excellence in Research • Introduction of activities and pipeline monitoring • Training for academics in areas such as writing good proposal and good research project management • Athena Swan application • Access to ResearchCONNECT (funding opportunities database) for all academics • Increased administrative resource in place to promote and handle research applications and awards • REI training programme | I = 3 L = 1 Medium (3) | <p>Development of new 5 year Research Strategy to provide effective structure and framework for research at LSBU through to 2020.</p> <p>Review of an integrated system for research and enterprise applications</p> <p>Implement Peer Review Scheme for Research bids - ensure quality of proposals going out (reputation) and increased success rate.</p> | Graeme Maidment | 31 Aug 2017 |
| | | | | | | | | Yvonne Mavin | 01 Dec 2017 |
| | | | | | | | | Graeme Maidment | 31 Aug 2017 |

Standard Risk Register



| Risk Ref | Risk Title | Risk Owner | Cause & Effect | Inherent Risk Priority | Risk Control | Residual Risk Priority | Action Required | Person Responsible | To be implemented by |
|----------|--|-----------------|---|---------------------------|---|-------------------------|--|--------------------|----------------------|
| REI 2 | Loss of key research staff and units | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • More time, resources and opportunities are available for research activity at other institutes • Failure to generate adequate income to maintain researcher/research unit activities • Lack of 'bridging funds' to support researchers between externally funded projects • Poor research infrastructure and service support. • Poor quality administration and management of research projects • Loss of HEFCE research funding • Poor Research Governance <p>Effect:</p> <ul style="list-style-type: none"> • Reduced external research income and fewer research grants and contracts. • Over-reliance on HEFCE Research (QR) income • Loss of reputation in key areas of research • Poor REF Outcome; fall in research league table • Damage to staff morale • Fewer postgraduate research degree registrations | I = 3 L = 2 High (6) | <ul style="list-style-type: none"> • Strengthening of pre-award team (with 2 extra staff) in CRS to support research bid pipeline and translate to increased number of successful projects/improve continuity of funding for researchers | I = 3 L = 2 High (6) | <ul style="list-style-type: none"> Reviewed QR strategy, effectiveness and targets Develop strategy to diversify researcher base | Graeme Maidment | 01 Aug 2017 |
| REI | Poor Management/Delivery of Research and Enterprise Projects | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Inappropriately costed and priced research projects • Poor/lack of quality administrative support • Lack of academic project management skills and time • Absence of clear contractual terms • Lack of clear processes and guidelines • Lack of central oversight <p>Effect:</p> <ul style="list-style-type: none"> • Damage to University/research reputation • Loss of income/surplus • Damage to business contacts/partnerships • Potential litigation • Reluctance by academics to get involved in future projects • Loss/reduction of future awards • Audit issues (internal and external) | I = 2 L = 2 Medium (4) | <ul style="list-style-type: none"> • Project kick-off meeting with PI, Finance and CRS for new research projects. • BSM review and approval of project costings prior to proposal submission. • Quarterly reviews of external research project finances implemented. • Implementation of Enterprise Projects Approval Process and SharePoint. | I = 2 L = 1 Low (2) | <ul style="list-style-type: none"> Oversee delivery of on-going training programme for BSM staff on financial management of research awards Documentation of all support systems for REI and finance staff Implementation of all project management systems for Research and Enterprise across all live projects (e.g. shared folders, action log, escalation of issues and quarterly school reviews) | Sarah Plant | 31 Jul 2017 |
| | | | | | | | | Yvonne Mavin | 29 Dec 2017 |
| | | | | | | | | Yvonne Mavin | 29 Dec 2017 |

Standard Risk Register



Page 168

| Risk Ref | Risk Title | Risk Owner | Cause & Effect | Inherent Risk Priority | Risk Control | Residual Risk Priority | Action Required | Person Responsible | To be implemented by |
|----------|--|-----------------|---|-------------------------|--|-------------------------|--|--------------------|----------------------|
| REI 5 | Failure to meet target PGR student numbers | Gurpreet Jagpal | Cause: <ul style="list-style-type: none"> • Overall budgetary restrictions limit the number of fully funded scholarships that can be awarded. • Lack of investment in research environment. • Poor overall research student experience • Uncompetitive fees, visa restrictions, Brexit freedom of EU students. • Weak student recruitment strategy • Supervisory capacity acts as a constraint • Poor marketing of PGR opportunities Effect: <ul style="list-style-type: none"> • Income growth (direct and indirect) is affected, including loss of external research studentship income • Withdrawal of Research Degree Awarding powers • Reduced HEFCE research QR funding (Supervisory QR) • Damage to research image/ reputation. • University's teaching authority is reduced | I = 3 L = 2 High (6) | <ul style="list-style-type: none"> • Review/update of LSBU practices and procedures in line with QAA Code of Practice guidance carried out by URC/URBoS • Regular monitoring of research student progression • Progress and attendance assessed through Panel Review and for Tier 4 students fortnightly meetings recorded online. • Students' legal documentation checked at point of enrolment | I = 3 L = 2 High (6) | Development of marketing and recruitment strategy for PGR | Graeme Maidment | 01 Sep 2017 |
| | | | | | | | Improved reporting to schools of admissions and progression data | Louise Thompson | 28 Jul 2017 |
| | | | | | | | Delivery of new research scholarship | Graeme Maidment | 01 Sep 2017 |
| | | | | | | | Review of HAPLO | Louise Thompson | 28 Jul 2017 |
| REI 6 | Low capacity in Enterprise active staff | Gurpreet Jagpal | Cause: <ul style="list-style-type: none"> •Lack of belief that Enterprise activity is adequately rewarded/ recognised •Lack of academic confidence/ ability in delivering Enterprise activity (outside of those already active) •Recent impact of restructures on staff engagement •High workload placed on good academics so unable to undertake Enterprise work • No formal process to identify and nurture new academics interested in undertaking enterprise activities Effect: <ul style="list-style-type: none"> • Target year-on-year enterprise income growth is not achieved • Impact on diversification of University income streams. •Lack of buy in from academics to undertake Enterprise activity | I = 3 L = 3 High (9) | • REI training programme | I = 3 L = 3 High (9) | Development and delivery (and monitoring) of engagement programme that focuses on driving participation from enterprise active academics | Gurpreet Jagpal | 06 Nov 2017 |
| | | | | | | | Creation of Enterprise Awards that focus on academics that are engaging with SMEs/ Commercial clients | Gurpreet Jagpal | 04 Dec 2017 |
| | | | | | | | Develop an appropriate reward and recognition structure | Gurpreet Jagpal | 27 Oct 2017 |

Standard Risk Register



| Risk Ref | Risk Title | Risk Owner | Cause & Effect | Inherent Risk Priority | Risk Control | Residual Risk Priority | Action Required | Person Responsible | To be implemented by |
|----------|--|-----------------|--|---------------------------|---|-------------------------|---|--------------------|----------------------|
| REI 7 | Low Levels of Impact achieved through Research/Enterprise activity | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> •Lack of clear innovation policy •Lack of IP portfolio •Inability to adequately capture innovation happening across the university •Lack of support funds to develop innovation <p>Effect:</p> <ul style="list-style-type: none"> •Limited innovation happening amongst research active staff •Low levels of 'Impact' demonstrated | I = 3 L = 3 High (9) | • Programme of REI workshops on IP and commercialisation | I = 3 L = 3 High (9) | | | |
| REI 9 | Sources of funding can not be adequately converted into increased income generating activities | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Lack of academic engagement within some schools • Difficulty identifying expertise and capacity within schools • Capacity and known capability within Schools is not aligned to funding opportunities identified <p>Effect:</p> <ul style="list-style-type: none"> • High level of increased activity in REI is accompanied by poor conversion/ performance and hence low income • BDMs to develop marketing strategies which align external opportunities to internal expertise and resources | I = 2 L = 3 Medium (6) | • Monitor changes in Innovate requirements for KTPs and ensure KEI and schools understand the new parameters. | I = 2 L = 1 Low (2) | Development of school plans that ensure relevant target and appropriate levels of REI resource (to ensure we measure ROI on staff resource) | Neil Pearce | 22 Dec 2017 |

Standard Risk Register



Page 170

| Risk Ref | Risk Title | Risk Owner | Cause & Effect | Inherent Risk Priority | Risk Control | Residual Risk Priority | Action Required | Person Responsible | To be implemented by |
|----------|---|-----------------|--|-------------------------------|---|-----------------------------|--|--------------------|----------------------|
| REI 10 | Failure to grow and diversify income streams | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Over reliance on current networks such as NHS and Innovate UK for enterprise income • Political changes around funding and commissioning impact income from usual networks • Increased bid competition and requirement for larger and harder to find SMEs for KTPs • Weak short/long -term forecasting • Current REI structure has inbuilt limitations (lack of internationalisation expertise; weak integration between research and enterprise) • Implications of Brexit on new and significant EU enterprise workstreams <p>Effect:</p> <ul style="list-style-type: none"> • Over reliance on UK undergraduate numbers to increase overall University income in a competitive market • Less opportunity to develop new innovative strands of work of benefit to the student, academic and business communities • University's teaching authority is reduced | I = 3 L = 3 High (9) | <ul style="list-style-type: none"> • Monitoring the external environment for other funder opportunities outside of the NHS | I = 3 L = 3 High (9) | Improve forecasting and prediction of income streams | Yvonne Mavin | 30 Nov 2017 |
| REI 40 | Failure to capture and demonstrate full impact of LSBU research | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Lack of systems and agreed methodology for capturing impact • Historic lack of resources to develop and implement systems to capture impact • Lack of awareness of impact /understanding of what it means <p>Effect:</p> <ul style="list-style-type: none"> • Recruitment of quality staff and PGR students is impacted • Greater difficulty identifying good quality case studies for publishing due to poor understanding/ articulation of impact from the onset • Unable to provide strong impact case studies to submit to next REF and potential subsequent impact on QR funding | I = 2 L = 2 Medium (4) | <ul style="list-style-type: none"> • Mini ref and annual impact studies • REI workshops and training sessions for Schools and research groups on Impact delivered by Impact Manager • Recent recruitment of Impact Manager • Involvement of impact manager at proposal stage for key bids | I = 2 L = 1 Low (2) | Audit of case studies by third party and Senior Academic Group at LSBU (professoriate) | Graeme Maidment | 28 Feb 2018 |

Standard Risk Register



| Risk Ref | Risk Title | Risk Owner | Cause & Effect | Inherent Risk Priority | Risk Control | Residual Risk Priority | Action Required | Person Responsible | To be implemented by |
|----------|---|-----------------|---|---------------------------|---|---------------------------|--|--------------------|----------------------|
| REI 41 | Inadequate preparation for REF 2021 | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • LSBU areas of strength and expertise can not be adequately matched to the interest of international partners • Insufficient international partners display interest in engaging in partnerships with LSBU • Inadequate project planning and management *insufficient 3* staff, poor or slow organisation, not capturing or incorrectly allocating data • Key staff leave the University • Staff do not adhere to Open Access deadlines • Inadequate systems for capturing PGR and research awards in HESA <p>Effect:</p> <ul style="list-style-type: none"> • REF 2021 is adversely affected • LSBU Income growth and profitability are compromised • Reputational damage • Difficulty attracting quality research active staff | I = 3 L = 2 High (6) | <ul style="list-style-type: none"> • Conducting annual Mini REF exercise • Use of Symplectic Open Access Monitor tool and LLR checking of OA publications | I = 3 L = 1 Medium (3) | <p>Identify and implement systems to capture and monitor the data required for next REF (impact; PGR; Research Awards)</p> <p>Regular cross checks by LLR, external audit and review by senior academic team (Professoriate).</p> <p>Review of REF14 best practice in research environment and identify measures to improve in time for next REF</p> | Graeme Maidment | 04 Dec 2017 |
| REI 42 | Failure to engage students in enterprise activities | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Poor internal communication channels • Students have to balance extra-curricular activities alongside academic studies • Academic staff are reluctant to promote extra-curricular activities to students <p>Effect:</p> <ul style="list-style-type: none"> • LSBU does not achieve projected levels of student engagement in enterprise • Students do not graduate with the enterprise skills they need to secure employment | I = 2 L = 2 Medium (4) | <ul style="list-style-type: none"> • OSDT sessions on embedding enterprise for academic staff • Regular reviews of student data to target resource at Schools with low engagement | I = 2 L = 1 Low (2) | Produce and implement student communications strategy (working with the internal communications department) | Linsey Cole | 28 Jul 2017 |
| REI 43 | Loss of income from LSBU Tenants | Gurpreet Jagpal | <p>Cause:</p> <ul style="list-style-type: none"> • Withdrawal of EU funding from Tenants • Loss of tenant accommodation through redevelopment of Technopark <p>Effect:</p> <ul style="list-style-type: none"> • Negative impact on income growth targets • Loss of external facing marketing opportunities • Loss of student opportunities | I = 2 L = 3 Medium (6) | <ul style="list-style-type: none"> • Conducting series of meetings with other organisations to scope availability and cost of alternative premises | I = 2 L = 2 Medium (4) | | | |

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|---|---|
| | CONFIDENTIAL |
| Paper title: | Framework Intellectual Property and Services Agreement between LSBU and SBUEL |
| Board/Committee | South Bank University Enterprises Ltd |
| Date of meeting: | 10 October 2017 |
| Author: | Syeda Rahimunnessa |
| Executive/Operations sponsor: | Gurpreet Jagpal |
| Purpose: | Decision |
| Which aspect of the Strategy/Corporate Delivery Plan will this help to deliver? | Corporate Plan: Enterprise Income |
| Recommendation: | <p>It has been identified that there is not a written agreement between LSBU and SBUEL regarding the management and exploitation of LSBU intellectual property.</p> <p>A Framework Agreement has been developed by staff from REI, the Legal and Governance team and an external lawyer experienced in setting out agreements between a University and its trading company.</p> <p>The Board is asked to approve the Framework Agreement.</p> |

Executive Summary

Intellectual Property is generated by academics employed by LSBU and it is declared on an Invention Disclosure form submitted to the IP Manager in REI. The academic inventor works with the IP Manager to identify and assess the intellectual property; any requirements for intellectual property protection and routes for the commercial viability of the innovation. The management and exploitation of LSBU intellectual property is governed by LSBU's IP Policy which was reviewed and approved in August 2016.

Historically, it has been common practice for SBUEL to manage and exploit any LSBU intellectual property. All intellectual property protection is filed in the name of SBUEL. At present, there is no written agreement that exists between LSBU and

SBUEL: this is a gap in the University governance procedure which needs to be closed.

A Framework Agreement has been developed by staff from REI, the Legal and Governance team and an external lawyer experienced in setting out agreements between a University and its trading company. It sets out the obligations of LSBU and SBUEL to each other with regards to the management and exploitation of LSBU intellectual property.

It is common practice for a University trading company to manage and exploit the University intellectual property and the Framework formalises this structure at LSBU. A written agreement between the parties is also imperative as SBUEL is more often now required to provide documentary evidence that it has the right to manage and exploit LSBU intellectual property when IP is being registered or transferred to the University.

DATED

LONDON SOUTH BANK UNIVERSITY (1)

and

**SOUTH BANK UNIVERSITY (2)
ENTERPRISES LIMITED**

**FRAMEWORK INTELLECTUAL
PROPERTY AND SERVICES
AGREEMENT**

MILLS & REEVE

Contents

| | | |
|----|---|----|
| 1 | Interpretation | 1 |
| 2 | Term..... | 3 |
| 3 | Protection and exploitation of intellectual property..... | 4 |
| 4 | Service obligations of the University | 5 |
| 5 | SBUEL obligations | 6 |
| 6 | University Employees, facilities and equipment..... | 6 |
| 7 | Charges and payment..... | 7 |
| 8 | Background Intellectual Property | 8 |
| 9 | Foreground Information and Intellectual Property..... | 9 |
| 10 | Other property | 11 |
| 11 | Exercise of rights and powers | 11 |
| 12 | Reporting obligations | 12 |
| 13 | Limitation of liability | 12 |
| 14 | Data protection..... | 13 |
| 15 | Confidentiality..... | 13 |
| 16 | Termination | 15 |
| 17 | Consequences of termination | 16 |
| 18 | Force majeure | 17 |
| 19 | Notices | 17 |
| 20 | Anti-Bribery | 17 |
| 21 | General | 18 |

BETWEEN:

- (1) **LONDON SOUTH BANK UNIVERSITY** of 103 Borough Road, London, SE1 0AA (“**University**”);
- (2) **SOUTH BANK UNIVERSITY ENTERPRISES LIMITED**, a company incorporated and registered in England and Wales with company number **02307211** whose registered office is at 103 Borough Road, London, SE1 0AA (“**SBUEL**”).

WHEREAS:

- (A) SBUEL is a wholly owned subsidiary of the University.
- (B) The objects of the University include the advancement of education, promotion of research, and dissemination of knowledge.
- (C) The University wishes SBUEL to provide certain services (the “**SBUEL Services**”) to the University for the purpose of securing intellectual property rights arising from the University’s research and other activities, and for the dissemination of the results of such research and other activities.
- (D) The University and SBUEL may from time to time agree that the University will make available certain staff time and facilities (the “**University Services**”) to SBUEL, for this purpose and for the purpose of SBUEL providing research, consultancy and other services to third parties.

IT IS AGREED:

1 Interpretation

1.1 Definitions:

“**Background IP**” has the meaning set out at clause **8.1**;

“**Commencement Date**” means the date of this agreement;

“**Confidential Information**” has the meaning given in clause 15.1;

“**Employees**” means:

- (a) those employees of the University as agreed by the University and SBUEL from time to time; and
- (b) students of the University as agreed by the University and SBUEL from time to time (subject to agreement of the relevant student and subject to ensuring that the student has agreed to the terms of ownership of Foreground IP);

“FOIA” means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation;

“Foreground IP” has the meaning set out at clause 9.1;

“intellectual property rights” means patents, utility models, rights to inventions, copyright and neighbouring and related rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

“material breach” has the meaning given in clause 16.3;

“Permitted Purpose” has the meaning given in clause 15.3.1;

“Representatives” has the meaning given in clause 15.1;

“SBUEL Services” means the provision of research, consultancy and other services by SBUEL;

“Term” has the meaning given at clause 2.1;

“University Registrable IPR” has the meaning given at Clause 3.3;

“University Services” means such services as the University and SBUEL may from time to time agree as set out in a written services summary in such form as the University may from time to time prescribe;

“**VAT**” means value added tax chargeable under the Value Added Tax Act 1994.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.
- 1.4 Unless the context otherwise requires:
 - 1.4.1 words in the singular shall include the plural and in the plural shall include the singular;
 - 1.4.2 a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
 - 1.4.3 a reference to one gender shall include a reference to the other genders.
- 1.5 A reference to a particular statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.6 A reference to **writing** or **written** includes faxes and e-mail.
- 1.7 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 References to clauses and Schedules are to the clauses and Schedules of this agreement; references to paragraphs are to paragraphs of the relevant Schedule.

2 Term

- 2.1 This agreement shall commence on the Commencement Date and shall continue unless terminated earlier in accordance with clause 16.1 (“**Term**”).

3 Protection and exploitation of intellectual property

- 3.1 The University shall put in place as may be reasonably agreed from time to time, formal mechanisms for notification to SBUEL of University Registrable IPR.
- 3.2 On receipt of any such notification, and thereafter as may be reasonably appropriate:
- 3.2.1 SBUEL shall consider such University Registrable IPR, in consultation where practicable with the inventor, deviser or creator and such other persons as it may consider appropriate, and carry out or procure the carrying out of an evaluation of its potential for registrable protection and exploitation;
- 3.2.2 determine, having regard to such evaluation:
- (i) whether and, if so, what patent or other protection to seek in respect of the University Registrable IPR, and if SBUEL considers that patent or other registered protection is appropriate notify the University to that effect; and
 - (ii) what steps to take in relation to any exploitation of such University Registrable IPR;
- 3.2.3 take such steps as it considers appropriate for the protection and exploitation of such University Registrable IPR;
- 3.2.4 keep the University informed in a timely manner of the outcome of its evaluation(s), the steps it is taking and the outcome and impact of such steps;
- 3.2.5 consult with the University and, as may be agreed between the University and SBUEL with any inventor, deviser, creator or other third party on any material change to its plans in relation to protection and/or exploitation as soon as reasonably practicable; and
- 3.2.6 at least annually prepare a report of its activities in relation to all such University Registrable IPR under its control or for which it is responsible, including a summary of the impact of the inventions or other subject matter of such University Registrable IPR.

- 3.3 Unless otherwise agreed between the parties and subject to clauses 3.4 and 3.1, SBUEL and the University agree that all right, title and interest of the University in any invention or other intellectual property invented, devised or created by any member of staff or student of the University or otherwise which may be the subject of registered protection notified to the University in accordance with clause 3.2.2(i) shall be assigned to and vest absolutely in SBUEL ("University Registrable IPR"), together with the right to apply for any protection in respect of such University Registrable IPR.
- 3.4 The University reserves the right in relation to all such University Registrable IPR and any patent or other protection obtained for it, to use it in the course of education and the carrying out research for non-commercial purposes (whether on its own or in collaboration with any non-commercial or commercial third party, provided that in the latter case the commercial third party shall not acquire, by virtue of such collaboration, any right to commercially exploit the same).
- 3.5 SBUEL acknowledge that use and exploitation of any University Registrable IPR SBUEL and any patent or other protection obtained for it may be subject to third party rights or restrictions and SBUEL undertakes to comply fully with the same.
- 3.6 SBUEL shall account to the University or directly to such third party, at the University's option, in such manner as may be prescribed by the University from time to time, for any inventor, devisor or creator, or other third party's share in any proceeds from exploitation, and shall include details of all such accounting in its report under clause 3.2.6.
- 3.7 So far as SBUEL determines not to seek registered protection for any University Registrable IPR, rights in the same shall revert to the University.
- 3.8 The University shall enter into a formal assignment or confirmation of assignment of any such University Registrable IPR as may reasonably be required by SBUEL.

4 Service obligations of the University

- 4.1 The University shall use reasonable endeavours to provide to SBUEL the University Services provided that:
- 4.1.1 the provision of University Services shall always be at the discretion of the University, having regard, amongst other things to its overall commitments; and

4.1.2 where any University Services include the provision of the services of a specific Employee, the provision of such University Services shall be subject to the prior agreement of the relevant Employee.

4.2 The parties acknowledge and agree that University Services provided under this Agreement are provided “as is” and without any express or implied warranties, representations or undertakings and the University shall not be held responsible for any consequences arising out of the performance of the staff and facilities provided unless they are the result of wilful default on the part of the University.

5 SBUEL obligations

5.1 SBUEL shall cooperate with the University and provide it with such information and assistance as the University shall reasonably require to enable it to provide the University Services.

5.2 SBUEL shall allow the University and its employees, agents and sub-contractors reasonable access to its equipment, facilities, information, records and other material as necessary for the performance of the University Services.

6 University Employees, facilities and equipment

6.1 The University agrees that SBUEL shall be entitled to engage such Employees (subject to clause 4.1.2) and use such University facilities and equipment, as may be agreed by the parties in writing from time to time in the written service summary for purposes of this agreement.

6.2 SBUEL agrees that it will not do or omit to do anything which will or may cause any Employee to breach any of their duties or obligations to the University or to have grounds for a claim against the University.

6.3 At all times Employees engaged by SBUEL under this Agreement (“**Engaged Employees**”) will remain employed by the University under their existing terms and conditions of employment with the University or otherwise subject to the University’s ordinances (the “**Employee Contract**”). SBUEL shall not have any authority to vary such Employee Contract, and the University alone shall have the power to discipline and dismiss any Engaged Employee. SBUEL shall provide the University with such information and assistance as the University may reasonably require to carry out its obligations as the Engaged Employees’ employer or responsibilities in respect of any student. Each Engaged Employee will continue to be eligible for sick pay, holiday

pay and any absence entitlements in accordance with their Employee Contract, and shall remain subject to the University's approval and notification procedures.

- 6.4 The University shall be responsible for all payments and other employment responsibilities in respect of the Engaged Employees, and for management of the Engaged Employees while they are conducting work on behalf of SBUEL.
- 6.5 SBUEL shall ensure that it complies with the University's employment responsibilities in relation to the Employees. In particular, SBUEL shall fulfil all duties relating to the Employees' health, safety and welfare as if it was their employer and shall comply with the University's Diversity and Inclusion Policy (a current version of which is available at <http://www.lsbu.ac.uk/about-us/policies-regulations-procedures> .
- 6.6 SBUEL and the University acknowledge and agree that nothing in this Agreement is intended to, or will, give rise to a relevant transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

7 Charges and payment

- 7.1 SBUEL shall be responsible for the payment of all invoices due to third parties in connection with the provision of the SBUEL Services.
- 7.2 In consideration of the University providing the University Services to SBUEL, SBUEL shall provide the SBUEL Services to the University.

8 Background Intellectual Property

- 8.1 Subject to any obligations of the University and its Employees, and to clause 3, the University hereby grants SBUEL a licence, in respect of any background information and intellectual property rights owned by, or to the extent licensed to the University ("**Background IP**"), as provided below:
- 8.1.1 to use the Background IP in the course of provision of the SBUEL Services, for the purpose of such provision;
- 8.1.2 where SBUEL enters into an agreement with a third party for exploitation of any University Registrable IPR, or for collaborative work between SBUEL and such third party, to sub-license such third party in respect of Background IP for the purpose of such exploitation or collaborative work only;

- 8.1.3 where SBUEL enters into any research or consultancy agreement with a third party under which SBUEL is under an obligation to grant a third party a licence in respect of any Background IP for the purpose of taking the benefit of the results of such research or consultancy, to grant such third party a sub-licence restricted to that purpose;
- 8.1.4 for the purpose of granting a sub-licence to any third party in respect of Background IP in exchange for appropriate consideration.
- 8.2 SBUEL acknowledges that use of certain Background IP may be subject to restrictions and/or payment notified to SBUEL by the University. SBUEL shall comply with all such restrictions, account for all use of such Background IP in a timely manner and shall make any such payment by due date (or, if first made by the University, promptly reimburse the University such payment).
- 8.3 The University will, on request from SBUEL, make available its records, and provide such other information as may be reasonably be required by SBUEL, relating to any rights and obligations in relation to any Background IP.

9 Foreground Information and Intellectual Property

- 9.1 Subject to clause 3, where any information or intellectual property rights arises in the course of the provision of SBUEL Services by SBUEL, which is created or devised in whole or in part by any Employee and/or using any University facilities or equipment ("**Foreground IP**"), all right, title and interest in such Foreground IP shall vest in the University, and the University hereby grants SBUEL the rights set out below:
- 9.1.1 to use the Foreground IP in the course of provision of SBUEL Services, for the purpose of such provision;
- 9.1.2 where SBUEL enters into an agreement with a third party for exploitation of any University Registrable IPR or any collaborative work between SBUEL and such third party, to sublicense such third party in respect of Foreground IP for the purpose of such exploitation or collaborative work only; and
- 9.1.3 where SBUEL enters into any research or consultancy agreement with a third party under which SBUEL is under an obligation to grant a third party a licence in respect of any Foreground IP or to assign any Foreground IP to the third party (or its nominee), whether for the purpose of taking the

benefit of the results of such research or consultancy or otherwise, subject to clause 9.2:

- (i) to grant such third party a sub-licence or licence (as the case may be) restricted to that purpose or more generally and/or
- (ii) to assign the Foreground IP in whole or in part,

for consideration or otherwise.

- 9.2 Where clause 9.1.3 applies, and subject to clause 3, the University hereby assigns the relevant Foreground IP to SBUEL. On such assignment taking effect, SBUEL may license instead of sub-license such Foreground IP under clause 9.1.3(i) or assign such Foreground IP (including any Foreground IP which is University Registrable IPR) under clause 9.1.3(ii).
- 9.3 Any such assignment under clause 9.2 shall be only of such right, title and interest as the University may have in the assigned Foreground IP without any title guarantee or warranties and shall be subject to SBUEL granting the University a non-exclusive, perpetual and irrevocable license to use the assigned Foreground IP for purposes of research and teaching.
- 9.4 SBUEL shall procure that, other than in relation to the use of the relevant Foreground IP and of the confidential information and intellectual property rights of the other party or parties thereto, no licence or assignment under clause 9.1.3 shall impose or result in any restriction on the activities of the University or SBUEL.
- 9.5 SBUEL agrees that the independent re-creation by the University or SBUEL of the results of any SBUEL Services provided to a third party - and the use of such re-created results - shall not infringe the relevant Foreground IP (subject to any registration by such third party, with the agreement of SBUEL, of a design and/or patent relating to such Foreground IP) and shall use its reasonable endeavours to procure that such third party agrees the same. For the purposes of this clause 9.5, “**independent re-creation**” means activities not using any confidential information or intellectual property rights of such third party or any Foreground IP assigned, or licensed exclusively, to such third party.

10 Other property

10.1 Where any physical property arises or created in the course of the provision of SBUEL Services in which Employees are engaged or University facilities or equipment are used, SBUEL shall be entitled to transfer title in such property to the third party to whom such SBUEL Services are provided.

11 Exercise of rights and powers

11.1 Nothing in this agreement shall be construed as requiring the University to do anything which is contrary to its charitable status or which breaches any of its duties as a charity.

11.2 The University's obligations under this agreement shall be deemed to be limited to the performance of acts which the University is entitled to perform and the performance of which are not, and are not likely to be, contrary to its charitable status or in breach any of its duties as a charity.

11.3 The parties acknowledge and SBUEL agrees:

11.3.1 that this agreement is entered into between the University and SBUEL subject to and in furtherance of the objects of the University;

11.3.2 that the exploitation of intellectual property is uncertain and carries risks, which, together with the costs of protection, are reflected in the assignment of the University Registrable IPR; without specific consideration in addition to the obligations set out in this agreement;

11.3.3 SBUEL has, under this agreement and subject to its provisions, the benefit of the use of staff, facilities and equipment of the University, and, subject to the contractual obligations of the University, of existing know how and intellectual property rights, skills and expertise available to the University;

11.3.4 that an object and aim of this agreement is that the University continues to develop such know how and intellectual property rights, skills and expertise, notwithstanding that in some cases certain rights may be granted exclusively to third parties; and

11.3.5 that SBUEL will act to promote the objects of the University at all times in the exercise of its rights and obligations under this agreement, and including acting reasonably in seeking to retain the right for the University to carry out research based on Foreground IP and such other rights as is reasonable in the circumstances, and in the grant or agreement to grant of any rights to third parties.

12 Reporting obligations

12.1 SBUEL shall provide to the University such reports as the University may from time to time prescribe in relation to its activities under this agreement.

13 Limitation of liability

13.1 Nothing in this agreement shall limit or exclude the liability of either party for:

13.1.1 death or personal injury resulting from negligence; or

13.1.2 fraud or fraudulent misrepresentation,.

13.2 Without prejudice to clause 13.1 or clause 13.4, the University's total liability arising under or in connection with this agreement, whether arising in contract, tort (including negligence) or restitution, or for breach of statutory duty or misrepresentation, or otherwise, shall be limited to £10,000.

13.3 The terms implied by sections 3 to 5 and section 13 of the Supply of Goods and Service Act 1982 are, to the fullest extent permitted by law, excluded from this agreement.

13.4 Without prejudice to clause 13.1, neither party shall be liable to the other, whether in contract, tort (including for negligence) or restitution, or for breach of statutory duty or misrepresentation, or otherwise for any loss of profit, goodwill, business, business opportunity or for any special, indirect or consequential loss or damage arising under or in connection with this agreement.

14 Data protection

14.1 For the purposes of this clause 14, where terms and expressions used are not defined in this agreement, they shall have the meaning assigned to them in the Data Protection Act 1998.

14.2 SBUEL shall, in performing its obligations under this agreement, comply in all respects with the Data Protection Act 1998 and, when it comes into force, the General Data Protection Regulation (or any equivalent legislation in any applicable jurisdiction) and with the requirements of this clause 14.

15 **Confidentiality**

15.1 “**Confidential Information**” means all information (however recorded or preserved), other than specified in clause 15.2, disclosed by a party or its employees, officers, representatives or advisers (together its “**Representatives**”) to the other party and that party’s Representatives concerning:

15.1.1 any information that would be regarded as confidential by a reasonable business person relating to:

- (i) the business, affairs, customers, clients, suppliers, or plans, intentions, or market opportunities of the disclosing party; and
- (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party;

15.1.2 any information developed by the parties in the course of carrying out this agreement.

15.2 Clause 15.3 shall not apply to information which:

15.2.1 is, or becomes, generally available to the public other than as a direct or indirect result of the information being disclosed by the receiving party or its Representatives in breach of this agreement

15.2.2 was available to the receiving party on a non-confidential basis prior to disclosure by the disclosing party;

15.2.3 was, is, or becomes available to the receiving party on a non-confidential basis from a person who, to such party’s knowledge, is not under any confidentiality obligation in respect of that information; or

15.2.4 was lawfully in the possession of the receiving party before the information was disclosed by the disclosing party.

- 15.3 Subject to clause 15.2, each party shall keep the other party's Confidential Information confidential and shall not:
- 15.3.1 use such Confidential Information except for the purpose of exercising or performing its rights and obligations under this agreement ("**Permitted Purpose**"); or
 - 15.3.2 disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this clause 15.
- 15.4 A party may disclose the other party's Confidential Information to those of its Representatives who need to know such Confidential Information for the Permitted Purpose, provided that:
- 15.4.1 it informs such Representatives of the confidential nature of the Confidential Information before disclosure; and
 - 15.4.2 at all times, it is responsible for such Representatives' compliance with the confidentiality obligations set out in this clause.
- 15.5 A party may disclose Confidential Information to the extent such Confidential Information is required to be disclosed by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the other party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause 15.5, it takes into account the reasonable requests of the other party in relation to the content of such disclosure.
- 15.6 Each party reserves all rights in its Confidential Information. No rights or obligations in respect of a party's Confidential Information other than those expressly stated in this agreement are granted to the other party, or to be implied from this agreement.
- 15.7 SBUEL acknowledges that the University shall be responsible for determining at its sole discretion whether any Confidential Information of SBUEL is exempt from disclosure under the Freedom of Information Act 2000 ("**FOIA**") or the Environmental Information Regulations 2004 ("**EIR**") or has to be disclosed in response to a request for information made (or apparently made) under the FOIA or the EIR as the case may be.
- 15.8 This clause 15 shall survive termination of this agreement.

16 **Termination**

- 16.1 The University may terminate this agreement by giving to SBUEL not less than 3 months' notice in writing.
- 16.2 Without affecting any other right or remedy available to it, either party may terminate this agreement with immediate effect in respect of any or all of the University Services by giving written notice to the other party if:
- 16.2.1 the other party fails to pay any amount due under this agreement or any other agreement between the parties on the due date for payment and remains in default not less than 14 days after being notified in writing to make such payment;
- 16.2.2 the other party commits a material breach of any other term of this agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so;
- 16.2.3 the other party repeatedly breaches any of the terms of this agreement in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of this agreement;
- 16.2.4 an order is made or a resolution is passed for the winding-up of the other party or an administrator is appointed by order of the court or by other means to manage the affairs, business and property of the other party or a receiver and/or manager or administrative receiver is validly appointed in respect of all or any of the other party's assets or undertaking or circumstances arise which entitle the Court or a creditor to appoint a receiver and/or administrative receiver or which entitle the Court to make a winding-up or bankruptcy order or the other party takes or suffers any similar or analogous action (in any jurisdiction) in consequence of debt;
- 16.2.5 the other party ceases, or threatens to cease, to carry on all or substantially the whole of its business; or
- 16.2.6 in the circumstances set out in clause 18.

- 16.3 For the purposes of clause 16.2.2, “**material breach**” means a breach (including an anticipatory breach) that is serious in the widest sense of having a serious effect on the benefit which the terminating party would otherwise derive from a substantial portion of this agreement over any three-month period during the term of this agreement. In deciding whether any breach is material no regard shall be had to whether it occurs by some accident, mishap, mistake or misunderstanding.
- 16.4 Termination of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination.

17 Consequences of termination

- 17.1 On termination of this agreement, each party shall promptly:
- 17.1.1 return to the other party all equipment, materials and property belonging to the other party that the other party had supplied to it in connection with the supply of the University Services and/or the SBUEL Services under this agreement;
 - 17.1.2 return to the other party all documents and materials (and any copies) containing the other party’s Confidential Information;
 - 17.1.3 erase all the other party’s Confidential Information from its computer systems (to the extent possible); and
 - 17.1.4 on request, certify in writing to the other party that it has complied with the requirements of this clause.
 - 17.1.5 On termination of this agreement in part or in whole (however arising) Clause 10 (Limitation of liability), Clause 14 (Data protection), Clause 15 (Confidentiality), Clause 17 (Consequences of termination), Clause 21.10 (Governing law and jurisdiction) and any other provision which by its nature or implication is intended to survive shall survive and continue in full force and effect; and all rights held by SBUEL by virtue of this agreement shall be held in trust for the University and assigned or transferred to the University or its nominee on written notice from the University

18 Force majeure

18.1 Neither party shall be in breach of this agreement if there is any total or partial failure of performance by it of its duties and obligations under this agreement occasioned by any act of God, fire, act of government or state, war, civil commotion, insurrection, embargo, prevention from or hindrance in obtaining any raw materials, energy or other supplies, labour disputes of whatever nature and any other reason beyond the control of either party. If either party is unable to perform its duties and obligations under this agreement as a direct result of the effect of one of those reasons, that party shall give written notice to the other of the inability which sets out full details of the reason in question. The operation of this agreement shall be suspended during the period (and only during the period) in which the reason continues. Forthwith upon the reason ceasing to exist, the party relying upon it shall give written advice to the other of this fact. If the reason continues for a period of more than 90 days and substantially affects the commercial intention of this agreement, the party not claiming relief under this clause 18 shall have the right to terminate this agreement upon giving 30 days' written notice of such termination to the other party.

19 Notices

19.1 Any notice to be given by either party under or in connection with this Agreement shall be in writing and shall be delivered by hand or sent by special delivery (or other signed for) first class post to its registered office address (if a company) or its principal place of business (in any other case), or to such other address as may have been notified in accordance with this Agreement. Any such notice shall be deemed to have been served: if delivered by hand - at the time of delivery; and if sent by post - upon the expiration of 48 hours after posting.

20 Anti-Bribery

20.1 Each party must at all times comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including the Bribery Act 2010.

20.2 SBUEL must comply with the University's anti-bribery and anti-corruption policies as published from time to time.

20.3 Breach by either party of the provisions of this clause 20 shall be deemed an irremediable material breach of this Agreement for the purposes of clause 16.2.2.

21 General

- 21.1 Except as expressly provided in this agreement, each party shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this agreement and any documents referred to in it.
- 21.2 Neither party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under this agreement without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).
- 21.3 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.
- 21.4 Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to this agreement.
- 21.5 No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
- 21.6 No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 21.7 This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter. Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.

- 21.8 Except as expressly provided elsewhere in this agreement, a person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 21.9 This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.
- 21.10 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

This agreement has been entered into on the date stated at the beginning of it.

Signed by the duly authorised)
representative of London South Bank)
University

Signed by the duly authorised)
representative of South Bank University)
Enterprises Limited

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| | CONFIDENTIAL |
| Paper title: | Directors' Annual Declaration of Interests |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 10 October 2017 |
| Author: | Michael Broadway |
| Purpose: | Approval |
| Recommendation: | The Board is requested to review and approve Directors' interests. |

Executive Summary

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

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

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

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

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

In addition, Gurpreet Jagpal has declared that he has been approached by Venture Simulations Ltd (VSL) to take a 1% equity stake in the company (the Board authorised his directorship of VSL in December 2016). Further information on VS is provided:

VSL is a UK-based organisation specialising in the development of business simulation technology for the corporate training and education markets. The company, which was established by brothers Paul and Peter Harrington, supplies software to clients in over 40 countries although its biggest single market is the UK Higher Education sector. In total, over 85 UK HEIs have purchased and use

SimVenture Classic and/or SimVenture Evolution (the 2 main products developed by VSL) and the sustained growth and performance of the company is underpinned by its commitment to excellence: further details on Purpose and Values are available on the company website.

Mr Jagpal has confirmed that SBUEL is not in competition with VSL and that this additional interest will not impact on his duty as a director to SBUEL.

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

South Bank University Enterprises Limited – Directors’ Declarations of Interest, October 2017

Paul Ivey

| Organisation with which connected | Sector | Relationship with organisation | As of date | First approved by the Board |
|--|----------------------------|---------------------------------------|-------------------|------------------------------------|
| Collaborate CIC | Public Sector partnerships | LSBU Board representative | 01.11.2014 | 14.10.2015 |
| London South Bank University | Higher Education | PVC | 2014 | 14.10.2015 |
| London Higher Access HE | HE Access | Vice Chair (designate) | 01.05.2015 | 14.10.2015 |
| Emirates Aviation University | Higher Education | Visiting Professor | 2010 | 14.10.2015 |
| University of London | Higher Education | Chair of Military Education Committee | 2017 | |
| Greater London Authority | Local government | HE representative | 2016 | |

Richard Flatman

| Organisation with which connected | Sector | Relationship with organisation | As of date | First approved by the Board |
|--|---------------------|---------------------------------------|-------------------|------------------------------------|
| London South Bank University | Higher Education | Director of Finance | 2002 | 22.11.2012 |
| London Strategy Ltd | Dormant | Director | 2002 | 22.11.2012 |
| South Bank Academies | Secondary education | Director and Member | 21.12.2015 | 07.12.2016 |
| SW London & St. George’s Mental Health NHS Trust | NHS Trust | NED & Chair of Audit Committee | 01.04.2016 | 07.12.2016 |

Gurpreet Jagpal

| Organisation with which connected | Sector | Relationship with organisation | As of date | First approved by the Board |
|---|----------------------------------|---|------------|-----------------------------|
| London South Bank University | Higher Education | Director of Research, Enterprise and Innovation | 2014 | |
| South Bank Collective CIC | Higher Education | Director | 03.09.2015 | 14.10.2015 |
| Enterprise Educators UK | Higher Education | Director | 01.08.2015 | 14.10.2015 |
| Venture Simulations Ltd | Software Development | Director | 06.04.2016 | 07.12.2016 |
| Waterloo Quarter Business Improvement District | Business Improvement District | Director | 29.09.2016 | |
| The Association of Research Managers and Administrators | Professional m'ship organisation | Director | 01.08.2017 | |

Michael Cutbill

| Organisation with which connected | Sector | Relationship with organisation | As of date | First approved by the Board |
|-----------------------------------|---------------------------------------|--------------------------------|------------|-----------------------------|
| London South Bank University | Higher Education | Independent Director | 2016 | |
| Kellen Head | Business Consultancy | Owner (100%) | 2015 | |
| Richmond Crescent Flats Ltd | Freehold int. in 21 Richmond Crescent | Owner (25%) | 2015 | |

Mandy Eddolls

| Organisation with which connected | Sector | Relationship with organisation | As of date | First approved by the Board |
|--|------------------|---------------------------------------|-------------------|------------------------------------|
| London South Bank University | Higher Education | Director of HR | 2014 | |
| Bron Afon Housing Association | Social housing | Independent board member | 2015 | |

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| | CONFIDENTIAL |
| | |
| Paper title: | Board Annual Work Plan |
| Board/Committee: | South Bank University Enterprises Ltd. |
| Date of meeting: | 10 October 2017 |
| Author: | Joe Kelly |
| Purpose: | To review and update |
| Recommendation: | |

Executive Summary

The Board's annual work plan is included for 2017-18. The document is live and will be reviewed at each meeting. The Board is asked to review and update the plan.

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SBUEL Annual Work Plan 2017-18

| Agenda Item | Consider By | Date | Decision By | Date | Lead Officer |
|---|-------------|------|---|-------------|-----------------|
| OCTOBER 2017 | | | | | |
| Regular items | | | | | |
| CEO Report | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Gurpreet Jagpal |
| Management accounts | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Gurpreet Jagpal |
| Debtors Report | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Rebecca Warren |
| Risk Register | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Gurpreet Jagpal |
| Annual Declaration of Interest statements | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Joe Kelly |
| Annual Board business plan | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Joe Kelly |
| Draft Financial Statements | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Rebecca Warren |
| Non-regular items | | | | | |
| Budget 2017-18 | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Ralph Sanders |

| Agenda Item | Consider By | Date | Decision By | Date | Lead Officer |
|--|--------------------|-------------|---|-------------|---------------------|
| IP Framework | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Gurpreet Jagpal |
| SBUEL Change Proposal | | | | | Gurpreet Jagpal |
| Bahrain JV | | | | | |
| Employment Agency | | | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Shân Wareing |
| NOVEMBER 2017 | | | | | |
| Regular items | | | | | |
| Audit findings | | | South Bank University Enterprises Ltd Board | 7 Nov 2017 | Rebecca Warren |
| Letter of Representation | | | South Bank University Enterprises Ltd Board | 7 Nov 2017 | Rebecca Warren |
| Statutory accounts to 31 July (year ended) | | | South Bank University Enterprises Ltd Board | 7 Nov 2017 | Rebecca Warren |
| SBUEL staff bonuses | | | South Bank University Enterprises Ltd Board | 7 Nov 2017 | Gurpreet Jagpal |
| Non-regular items | | | | | |
| SBUEL staffing | | | South Bank University Enterprises Ltd Board | 7 Nov 2017 | Gurpreet Jagpal |

| Agenda Item | Consider By | Date | Decision By | Date | Lead Officer |
|---|-------------|-------------|---|-------------|-----------------|
| JANUARY 2018 | | | | | |
| Regular items | | | | | |
| CEO Report | | | South Bank University Enterprises Ltd Board | 30 Jan 2018 | Gurpreet Jagpal |
| Management accounts | | | South Bank University Enterprises Ltd Board | 30 Jan 2018 | Gurpreet Jagpal |
| Debtors report | | | South Bank University Enterprises Ltd Board | 30 Jan 2018 | Rebecca Warren |
| Risk register | | | South Bank University Enterprises Ltd Board | 30 Jan 2018 | Gurpreet Jagpal |
| Non-regular items | | | | | |
| Shareholder update - Biox; About Time Design | | | South Bank University Enterprises Ltd Board | 30 Jan 2018 | Gurpreet Jagpal |
| REI change proposal | Executive | 27 Sep 2017 | South Bank University Enterprises Ltd Board | 10 Oct 2017 | Gurpreet Jagpal |
| APRIL 2018 | | | | | |
| Regular items | | | | | |
| CEO Report | | | South Bank University Enterprises Ltd Board | 24 Apr 2018 | Gurpreet Jagpal |
| Management accounts | | | South Bank University Enterprises Ltd Board | 24 Apr 2018 | Gurpreet Jagpal |

| Agenda Item | Consider By | Date | Decision By | Date | Lead Officer |
|--------------------------|--------------------|-------------|---|-------------|---------------------|
| Debtors report | | | South Bank University Enterprises Ltd Board | 24 Apr 2018 | Rebecca Warren |
| Risk register | | | South Bank University Enterprises Ltd Board | 24 Apr 2018 | Gurpreet Jagpal |
| Non-regular items | | | | | |
| JULY 2018 | | | | | |
| Regular items | | | | | |
| CEO Report | | | South Bank University Enterprises Ltd Board | 24 Jul 2018 | Gurpreet Jagpal |
| Management accounts | | | South Bank University Enterprises Ltd Board | 24 Jul 2018 | Gurpreet Jagpal |
| Debtors report | | | South Bank University Enterprises Ltd Board | 24 Jul 2018 | Rebecca Warren |
| Risk register | | | South Bank University Enterprises Ltd Board | 24 Jul 2018 | Gurpreet Jagpal |
| Non-regular items | | | | | |
| Budget | | | South Bank University Enterprises Ltd Board | 24 Jul 2018 | Ralph Sanders |