

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm 26th February 2019
Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
8.1 Revise the Terms of Reference regarding details around composition and who should support the chair	TW		

CONFIDENTIAL ITEMS

None

Present:

Violet Karapaseva (VK - Chair), Tom Worman (TW), Sophie Butler (SB), Sue Arnold (SA), Victoria Turner (VT - interim)

In Attendance:

Anna Clodfelter (AC), Laurie Jones - Minutes

1. Apologies for Absence

Baldev Gill (BG)

2. Welcome and appointment of Directors

Welcome to Vicky Turner (external trustee - interim) and Sue Arnold (non-executive director)

3. Declaration of Interests

No declarations

4. Minutes of Previous Meeting

- 4.1 Board of Directors Meeting 4th December 2018 approved
- 4.2 Board of Directors Extraordinary Meeting 15th January 2019 approved
- 4.3 Board of Directors Extraordinary Meeting 29th January 2019 approved

5. Matters Arising and Action Points From Those Minutes

- 5.1 Circulate the feasibility study to Board of Directors (TW) - **COMPLETE**

6. Business Matters

6.1 Trading Report - for note and questions only (TW)

Report taken as read.

VT: What does CCI mean?

TW: Creative and Cultural Industries - it's a faculty. This was really disappointing - we'd hoped there would be a really positive opportunity for students to get involved. We had all of the senior lecturing staff on board but it didn't take off

VT: The postponed goals for this financial year - have they been removed from the budget or are they showing as a favourable variance?

TW: Favourable variance. We're in a positive position, particularly with retail, so it won't affect the bottom line

BOARD OF DIRECTORS NOTED THE TRADING REPORT

6.2 Business Development Update (TW)

Report taken as read.

TW: Board of Trustees approved to ring fence £50k. Having looked at the long term financial forecast, it may not be needed from a UPSU Group point of view - £50k was to protect the bottom line, but we're

expecting to get a 2.7% rise in block grant, which outweighs that need for a bottom line so we're in a fairly good position. We're on track for HR activities, and generally progressing and ready to hand over to Rich (new HoBM) in a few weeks time

AC: We're bringing him in early so there can be a stronger handover and he can start to pick up some projects

SA: What's his background?

AC: Leisure - sales and marketing. We had two really strong candidates with two very different skillsets and we decided that business was the bigger risk and that's why we went for Rich. If we were recruiting long term, we probably would have recruited the other candidate

TW: Particular in some of the sales aspects, losing BAM and driving the new business

BOARD OF DIRECTORS APPROVED THE TRADING STRATEGY

7. Finance Matters

7.1 PSUT Q2 Management Accounts for note

VK: I have some questions, but I can wait for a meeting with FACAM. The questions are around my understanding of the organisation

TW:

- From a headline perspective we're doing well. I expect the £11k surplus will be 0 by bringing our recruitment forwards so we're ready to run into next year. We're looking to break even using that additional surplus. Started looking at some investment around personalisation and the business plan, it will be ready to go in July for our graduation range so there should be a surge in retail. We're doing well across all income streams
- The risk area is TOTUM - NUS Extra. This is been challenging because they changed their financial model without telling us which meant we were accounting for stock in one way and NUS had changed how they were paying us and were not giving us credit notes for certain things. It looked like we were doing really well but our sales were slumping. We've made adjustments at the end of Q2 so you won't see the in year blip, but this continues to be a declining area only really propped up by University staff buying cards
- TOTUM is a discount card - used to be really popular, but now there are other cards/online portals that are free for the same discounts (e.g. Unidays). This is a tough market. Sabbs are looking at a discount offer as part of their exit legacy, so there is something to work on collectively with PSUT and we will try and protect that income stream.

SA: The overspend in R&D is nicely offset with the underspend with the management charge - do you think that will hold for a full year?

TW: The overspend in R&D - it's done as a percentage. As long as our income goes up our Research and Development goes up. That is a reasonably good forecast as some of the startup costs for some of the retail activity. We can afford to do it in the business without affecting the bottom line

AC: It's worth noting that without TOTUM there will be a decline in income, but there will be a reduced need for funding to go to the charity as the affiliation fee won't be paid out. This will be +£12k for the charity. It affects the business bottom line but the requirement for the business to provide for the charity is significantly less.

BOARD OF DIRECTORS NOTED THE PSUT MANAGEMENT ACCOUNTS

7.2 Finance & Risk Sub-Committee Highlight Report and Minutes 4th December 2018 - for note and questions

AC:

- Change of reserves policy which impacts on the ability of the charity to lend money to the business but it has which has freed up some of our existing reserves

- **CONFIDENTIAL MINUTE REMOVED**

VT: Are you reconciling bank accounts annually?

AC: This is for our reserves account - this came of out an audit

BOARD OF DIRECTORS NOTED THE FINANCE & RISK SUB-COMMITTEE MINUTES

8. AOB

8.1 Board of Directors Articles of Association - formal resolution (TW)

TW: We approved this back in June 2018, but due to recruitment and our processes, we missed the 15 day window to upload to Companies House. We changed the Articles of Association because they were old, out of date and didn't match what we were delivering as an organisation. This had a lot of scrutiny and went through our solicitors. Then we realised we didn't have a Terms of Reference so that was put in place. The only thing outstanding is to recruit a student director, and we've struggled to recruit for student trustees this year.

SA: Why do you think it's been difficult?

TW: Potentially a lack of understanding of what the role is

SA: If you were studying in Law/Business, this experience would be quite attractive on a CV

VK: For student trustees, it only appeals from a certain group of students - 3 of our candidates have been from the same masters course that I also did

TW: It should be about our sales pitch - need to look at how we market it and take it away from being a corporate thing. The other update is the ability to make remote decisions which has now been included in the Articles of Association

AC: We have a digital protocol for decision making in place for BoT which will apply for this as well

VT: Who is the company secretary?

TW: The president is historically. From a Board point of view it can be anyone, but we see this is a great opportunity for Sabbatical Officers to have on a CV

AC: On 2.3 of the Terms of Reference: it says 'consist of no fewer than four and no more than six members with a majority of members not holding trustee positions with UPSU' - is this correct?

TW: No because that is not possible - I will revise this. I don't think it's relevant

AC: There needed to be within quorum trustee/non-trustee members. If Board are satisfied, you could reword it to make sure in quorum there is always a representative that is non-trustee.

VK: That's in 2.7 - it defines quorum, and it includes at least one external non-trustee

TW: I am tempted to take out 2.3 in its entirety

AC: Just make sure at least 2.2 works without 2.3. Quorum will decide who's in it, but you may need to tweak 2.2 to say it will generally be between 4 and 6 people

VK: In 3.4 it says the Chair is supported by the Secretary - are they not the same person?

TW: This should be changed to clerk

Action: TW to revise the Terms of Reference regarding details around composition and who should support the chair

SUBJECT TO ABOVE CHANGES, BOARD OF DIRECTORS APPROVES THE FORMAL RESOLUTION TO UPDATE THE BOARD OF DIRECTORS TERMS OF REFERENCE

BOARD OF DIRECTORS APPROVES THE FORMAL RESOLUTION TO UPDATE THE BOARD OF DIRECTORS ARTICLES OF ASSOCIATION

8.2 Resignation and Appointment

- Tom Worman formally resigns from Board of Directors effective from 12th April 2019
- The Board formally thanks TW for all his the hard work and contributions.
- The new HoBM will be undertaking the operational side of things and will be reporting to AC. AC's role as Managing Director is on a strategic and governance level
- Board of Directors approve to appoint Anna Clodfelter to Board of Directors as Managing Director with effect from 12th April 2019.

9. Date and Time of Next Meeting

Tuesday 11th June 2019 at 3pm - The Union Building

Minutes Approved: _____

Date: _____