

MINUTE

Meeting of: Scottish Futures Trust Investments Limited - Board

Date & Time: Tuesday 17 September 2019, 12.30pm

Place: Board room, 11-15 Thistle Street, Edinburgh

Present: Ian Russell, Chair (IR)
Ann Faulds (AF)
Bill Matthews (BM)
Pauline Mills (PM)
Graham Watson (GW)
Peter Reekie (PR)

Apologies: Ann Allen (AA)

In attendance: Liz Petrie (LP)
Viv Cockburn (VC)

FORMALITIES

1 **Apologies**

Apologies were noted from Ann Allen.

2 **Declaration of Directors' interests**

No new interests were declared.

3 **Minute of previous meeting**

The minute of the meeting of the Board of Directors of 18 March 2019 was approved as a correct record.

4 **Action tracker**

The single action was noted as completed.

MONITORING

5 **Investment Performance**

The Board noted the report reviewing the performance of the Company's portfolio of hub DBFM investments. VC advised that across the hub investments portfolio of 41 investments, 34 are performing satisfactorily, five have events that require close monitoring and two are on formal watch. VC outlined the issues leading to the two

projects being put on formal watch and advised that both are on track to be resolved. VC provided details also of the issues leading to the close monitoring of five projects.

The Board noted the financial performance and pipelines of the five hub companies and discussed the challenges in building up pipelines of work, including the loss of DBFM projects from the programme. It was noted that the new learning estate programme could provide opportunities.

The Board was advised that the land issues that had delayed the Clydebank development within the Glasgow health bundle have been resolved. The Board was advised that financial close is expected in late November and agreed to hold a meeting of the Board on 18 November to consider the investment.

SFTi Board to be held in November to consider investment in Clydebank development.

The Board noted that investment in East Lothian Housing Delivery Partnership LLP had been made in May 2019 and PR described the innovative 'income strip' lease deployed to finance 50 homes in the initial phase.

The Board discussed the return being achieved on investments and requested that assurance on the robustness of the tax assumptions being adopted by the investment companies be covered within the next investment report.

The Board requested that future reports incorporate an executive summary, highlighting the main issues for the Board's consideration.

An executive summary to be included in future investment performance reports.

DECISION

6 Annual Report and Financial Statements

6.1 Recommendation from Group Audit Committee

The Board noted the draft minute from the Group Audit Committee meeting of 19 August 2019 and that, subject to agreed revisions, the Committee had recommended approval of both the SFT Investments Ltd Annual Report and Financial Statements and the SFT Annual Report and Financial Statements.

6.2 SFTi Annual Report and Financial Statements

The Board noted the Annual Report and Financial Statements 2018-19.

VC listed the changes made since the Group Audit Committee's review. The Board confirmed satisfaction that disclosure requirements had been met and there were no subsequent events that require to be disclosed.

The Board approved the Annual Report and Group Financial Statements for the year ended 31 March 2019 and authorised their signing by IR and PR.

6.3 Letter of Representation

The Board further approved the terms of the Letter of Representation for the Group and authorised PR to sign on its behalf.

7 Investment Management Policy

The Board noted the Investment Management Policy. VC confirmed that the recommended revisions had been made to the policy and the document had been reviewed by Scott Moncrieff.

The Board approved the Investment Management Policy.

8 Any other business

There was no other business.