

**Minutes of the Meeting of the LOWES LTD Board of Directors held on Monday 15th
March 2010 at 4.30 pm in Conference Room 1, the Astral Centre**

Directors present:

Ken Applegate: Corporation Member
Kevin Howes: Corporation Member
Teresa Miller: Vice-Principal
Gwen Parsons: Principal
Richard Perkins: Chair/Director/Corporation Member
Ian Pease: Head of Maritime Offshore & Energy
Tom Toolan: Assistant Principal

In attendance:
Charles Reynolds: Company secretary/Clerk to the Corporation

The Chair welcomed those present to the meeting. A special welcome was extended to the new directors Ian Pease and Tom Toolan

Apologies for Absence

Apologies for absence had been received from Bob Mee.

1. Disclosures of Interest

There were no disclosures of interest relevant to the agenda items.

2. Minutes of the Previous Meeting

The minutes for the Board of Directors meeting held on 7th December 2009 were agreed to be a correct record and were signed by the Chair.

3. Matters arising from the minutes

There were no matters arising from the minutes that were not agenda items.

4. Correspondence

There had been no correspondence received relevant to the board.

5. Company Management Accounts to the end of January 2010

Teresa Miller reviewed the management accounts for the 6 month period to the end of January 2010 with fellow directors and observed that they were in line both with the budget and year end.

To date the company had made a surplus of £199,000 against a budgeted surplus of £132,000. Reasons for the variance were provided by Teresa Miller.

It was reported that the anticipated intake of O.O.W delegates planned for October has not materialised. There were however two intakes instead of 1 planned for May. In any event tuition fee income was in line with the budget.

New Border Agency Rules, which were briefly explained, could impact on future recruitment although it was believed that appropriate action had been taken to minimise this risk.

Action

Teresa miller advised that the management fee was being dealt with on a monthly basis and the key performance indicators and analysis of trade debtors showed there to be no reasons for concern on the performance of the company.

Having thoroughly reviewed the accounts and in the absence of any further questions or discussion directors thanked Teresa Miller for her report which was received.

6. Company Business Plan – draft

Presented by Tom Toolan who stressed that the paper being reviewed was very much in draft. It did however he believed provide a basis upon which to work from.

Directors were taken through the detail of the paper and accompanying appendices. Particular attention was given to the identified risks as set out in Appendix A. the Chair asked whether this covered all the risks faced by the Company. Responding the Principal expressed the view that it was important to spread the risks faced by the company as widely as possible. It was also important to minimise any investment costs. There was a dependency as well as OOW delegates coming from Pakistan and India and the risks already identified re the increased Border Agency requirements should encourage the College to look elsewhere to offer its courses where restrictions were not so stringent. The current markets were very inactive at the moment but it could be less of a risk to explore other non EU European market places.

In response to a question the Principal advised that delegates from EU Countries qualified for LSC funding and that in XXXXX could be an issue as these funds were severely limited. The preferred option was to offer training as full cost. An example was given as cadetship training.

Teresa Miller added that recruitment if staff was also a risk that needed to be considered especially as staff needed were specialist and not easy to find.

With specific reference to Appendix A and risks 5&6 Ken Applegate observed that the control could be to close down rather than diversify and with reference to risk 7 he was not clear what the controls were. Responding Teresa Miller suggested that the format used needed to be consistent with those reviewed by Audit Committee and when this was the case Audit Committee could review the risks and controls as this was part of its XXXX. Directors agreed this to be an appropriate way forward.

TM & TT

Returning to the main draft document Directors reviewed the purpose aims and objectives section. The Chair observed the forthcoming review of strategy by Corporation could have a bearing on the aims and objectives of the Company and therefore the draft document may not hold true.

The Principal observed that if the purpose of having a company was to make money for the College there was a question mark over whether it was doing this at present. There followed a general discussion on the companies role in helping deal with VAT and it was recognised that both the Corporation and Directors clearly had to be involved in planning the way ahead for the Company.

The Principal sought clarity in why there had been so much pressure for a business plan to be prepared if the Chair felt there was so much uncertainty. Responding the Chair believed there to be a need for a document to provide 'shape' for the company and to help directors understand what was happening and the direction of travel.

Returning to the draft document Tom Toolan advised there was still a need to carry out a market analysis (SWOT) and to look in more depth at the potential for delivering existing provision in new areas. The Chair suggested that this should include facilities

management. Teresa Miller added that because of cuts in adult funding whatever was offered would need to be full-cost recovery. Once again there was general discussion on the impact of VAT and competition with other providers who may not charge this. There was also recognition of the need to serve the new emerging industries such as Solar power.

With respect to future investment in facilities Teresa Miller observed that one benefit of the Company was that it was a vehicle through which Vat payable on things such as software or residential accommodation for students could be claimed back. Coming back to the meeting paper and specifically the graphs at section 6 directors felt that these needed to be revisited as they were not believed to be correct.

TT

Finally on the issue of projected turnover it was agreed that it might be appropriate to review the target of £7 Million for the College again as it could be possible to get nearer to £20 Million. For this to happen the company would need to make its contribution however. This matter would be taken further at the next meeting. Directors thanked Tom Toolan for his efforts to date re the draft paper reviewed.

7. Commercial Activity Update – verbal report

Presented by Ian Pease. Directors asked for the notes for his report to be circulated.

IP

Directors were updated on the current range of activities being run out of Ian Pease area of responsibility. He was pleased to advise that the College was working again with BP, the National Grid at Bacton and that overall the number of clients with which the College was now doing business had significantly increased. Details were provided with respect to O.O.W training, referred to earlier in the meeting, numbers were healthy. It was also expected that there would be a May intake on to the Chief Mates programme, which after a lull was looking healthy again re numbers. There were of course the issues related to the Boarder Agency to overcome.

Directors were provided with information on possible new provision. ECDIS training for ships was a new market and would require investment in facilities. It was however believed to be a lucrative field to enter. Directors were provided with details. In discussion it was agreed that Directors would need to receive a business case and it was agreed that this could be dealt with outside a board meeting if there was need to act urgently. If not it should be an agenda item at the next meeting.

Directors thanked Ian Pease for his report which was received.

8. Any other business

There were no items of any other business

9. Date of next meeting

The next Board of Directors meeting will take place on Monday 29th June 2010 at 4:30pm. The venue will be Conference Room 1 in the Astral centre.