



## Corporate Governance Framework for the University of Bristol Group of Companies

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## 1. Introduction

It is common for Higher Education Institutions to establish a company or joint venture in order to carry out trading activities which either do not directly further its charitable educational objectives (non-primary purpose trading) and/or to facilitate joint investment and/or participation in an activity. The University recognises that its companies, which may be wholly owned or in which the University holds a partial shareholding or interest (including [spin-out companies](#) most commonly formed to commercialise University intellectual property (IP)) are distinct and separate legal bodies. Their Directors have a number of duties including those under the Companies Act 2006.

Subsidiary companies exist to hold and manage specific activities and resources, where it is beneficial to separate these from the University. In this context the University retains control as the 'parent company' of the subsidiary company if the University hold the majority of voting rights or establishes overall control via another mechanism, for example, the ability to dismiss the Board of Directors. Collectively, the University and its subsidiary companies are known as the 'Group'.

The Registered address for the University is: Beacon House, Queen's Road, Bristol, BS8 1QU.

## 2. Scope of this Framework

This Framework applies where specified to:

1. Subsidiaries<sup>1</sup>: as reflected in the University of Bristol Annual Report & Financial Statement and includes any subsidiaries of subsidiary companies to the University.
2. Joint Ventures: defined for the purposes of this Framework as entities in which the University or one of its Subsidiaries has an equal shareholding with one or more other participants e.g. 50:50; 33:33:33.
3. Associates/Affiliates: where the University has a minority interest between 20% and 49% and is able to exercise some influence. This includes Spin Out company creation, and in such cases the University's policy on Spin Out company formation applies.
4. Other entities: where the University is a member or shareholder holding a minority (less than 20%) interest and/or where the University appoints a Director (or equivalent) to its governing body.

## 3. Purpose of this Framework

The purpose of this Framework is to:

- Set out the guiding principles of good governance that underpin the University's activities; and
- Outline the University's corporate governance structure and its key requirements for its Subsidiaries to maximise consistency across the Group to best manage risk.

As a guarantee of effective governance which safeguards the assets and reputation of the University, the University expects its Subsidiaries to adopt and to comply with this Framework. Please contact the Head of Governance for further information (see section 13 "Key Contacts").

The key requirements of the Framework in relation to Subsidiaries are summarised in Appendix 3. It is intended that these key requirements should also apply to Joint Ventures, although it is

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<sup>1</sup> Any company that the University controls either by virtue of having more than 50% of the voting rights or another control mechanism, as defined by sections 1159 and 1162 of the Companies Acts

recognised that this would be a matter for agreement between the University and potential joint venture partners who may also have their own governance framework to comply with.

The University recognises that each company governed by this Framework is distinct and there will be local variations depending on the specific nature of each Subsidiary.

For example, the National Composites Centre (**NCC**) operates under a dual-entity structure, which means that it may not fully align with this Framework due to inherent operational complexities. Such Subsidiaries are expected to comply with the principles and spirit of this Framework and to maintain equivalent standards of accountability, transparency, and compliance, with appropriate governance measures in place to mitigate any risks arising from the dual structure.

Any significant deviations from the Framework must be identified and addressed through dialogue between the Subsidiary and the University, to ensure such deviations do not undermine the overall integrity and objectives of the Group. Ongoing review of any deviations from the Framework will ensure that the Subsidiary continues to operate in a manner consistent with the Group's values, risk appetite, and strategic objectives.

This Framework is designed to meet regulatory and statutory requirements, including the requirements of the [CUC HE Code of Governance](#), achieve effective self and co-regulation, and afford a level of flexibility required to manage changes which are inevitable for modern and agile organisations.

There are additional obligations required under the University's borrowing agreements, which extend to Subsidiaries, including subsidiaries of Subsidiaries. For a copy of these agreements, please contact the Head of Treasury at the University directly who will provide Subsidiaries with copies (see section 13 "Key Contacts").

The University's Board of Trustees and Executive Delegation Schedules also contain information pertaining to the powers of the Board of Trustees and its committees, and pertaining to the powers of the University Executive Board, in respect of Subsidiaries and other entities in which the University has an interest and these powers are referenced in the sections below and summarised in Appendix 3.

#### 4. Group Strategy

The University of Bristol is a chartered corporation and an exempt charity, whose legal status derives from a Royal Charter granted in 1909.

The University's strategic and operational plans are approved by its Board of Trustees on the recommendation of its Executive.

Effective governance is key to the pursuit and achievement of our [Strategy](#). The principles of good governance are therefore at the heart of this Framework and any supporting documents/guidance. The University expects that the strategy and operations of companies in the Group are congruent with the vision, mission and values of the University and with its strategic and operational plans.

See Appendix 3 for the University's requirements in relation to strategic approval for activities of Subsidiaries.

#### 5. Incorporation of a new Group company, investment, disinvestment or closure

For information on the decisions relating to incorporation, investment, disinvestment or closure

that must be made by the University in relation to Subsidiaries, please refer to Appendix 3.

For such decisions on incorporation, investment, disinvestment or closure, a Business Case will be required by the University which should include an options appraisal, rationale, analysis of risk and financial impact.<sup>2</sup>

Where it is proposed that the University will take an interest in or become a member of a third party organisation (Joint Ventures, Associates / Affiliates and Other entities), please refer to the Guidance for approvals for the University's involvement in third party organisations for the relevant process.<sup>3</sup>

## 6. Investment from the University

The University may provide general corporate investment (by means of equity and/or debt) and specific activity funding for some companies governed by this Framework. Funding transactions are either made on (1) the basis of a qualifying charitable investment for tax purposes where the expected financial return meets the return requirement of the University's Treasury Management Policy or (2) via means of financial support for activities that are in the furtherance of the University's charitable objects (the advancement of education, learning and research for the public benefit) and in compliance with the law and University's Group's banking arrangements. The latter is usually provided by means of a grant which would have specific funding conditions attached to it e.g. where if the conditions of the grant are not met, the grant must be repaid.

In either case, mutual agreement will be negotiated on the following:

1. Initial funding
2. Continued funding
3. Funding increase
4. Funding withdrawal in whole or in part
5. Cessation of activity by the company

All funding arrangements between the University and other companies must be fully documented in a legally binding form. See Appendix 3 for the approvals process in relation to inter-company investment.

### Subsidy control

As well as to comply with charity law, the University, as a recipient of public funds, must avoid acting as a conduit of state aid into a Subsidiary which carries out "economic activities" (i.e. making an unlawful subsidy). The contravention against making unlawful subsidies requires the University to make investments in Subsidiaries on a commercial, arm's length basis. This includes indirect investment such as allowing the Subsidiary to use University land and other assets, such as staff, on non-commercial terms. Where the Subsidiary is using any University assets, the parties are expected:

- to have in place secondment agreements in relation to any University employee who provides a significant amount of his/her time on the Subsidiary's business; and
- to have in place Service Level Agreements in relation to the use of University assets, such as HR and payroll to ensure that this are provided on commercial terms.

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<sup>2</sup> Please refer to the [Charity Commission's Guidance on Trading and Tax](#) how charities may lawfully trade.

<sup>3</sup> The approvals process relating to Spin Outs remains governed by the University's policy on Spin Out formation.

## 7. Procedures for the Acquisition and Disposal of Land, Buildings and Other Assets

The Subsidiary must engage with the University in relation to any acquisition or disposal of assets (including land or buildings or other assets) that could impact on the University's overall strategy, financial position or reputation.

The Subsidiary Board should engage at an early stage with the University (via the University Nominated Officer – see section 13):

- to notify the University of the proposed acquisition (e.g. any arrangements which could constitute borrowing, proposed leases or guarantees, or which could impact the University as landlord) or disposals which could have a material adverse effect on the University's financial performance or position, strategy or reputation; and
- to ensure that it meets the various University requirements current at the time of the transaction, including obtaining approval where this is required, prior to entering into any legally binding agreement.

## 8. Decisions by the University as shareholder

As a shareholder, the University, individually or jointly with other shareholders, has certain rights under the Companies Act 2006, and these rights are detailed separately in Appendix 3. Likewise, some shareholder agreements reserve rights for the University. Group companies should refer to the Articles of Association and any shareholder agreement (or, in the case of a Subsidiary, the Intra-Group Agreement with the University) for further information.

A summary of delegated authorities for committees within the University which affect decisions on behalf of the University as shareholder of a Group company is included in Appendix 3.

## 9. Intra-Group Agreement (Between the University and Subsidiaries and between Subsidiaries in the Group)

Clear accountability underpins effective relations between the University and its Subsidiaries. Effective accountability depends upon respective roles and responsibilities being clearly defined and understood by both sides.

In circumstances where a Subsidiary supplies a service to or on behalf of the University, or where the University provides services to a Subsidiary, or where Subsidiaries provide services to each other, a suitable contract and/or **Intra-Group Agreement** will be drawn up which clearly defines the roles and responsibilities of each side.

The Agreement will be approved by the Subsidiary Board and by an appropriate member of the University Executive. Its operation will be overseen by the Subsidiary Board and by the relevant member of the University Executive.

Appendix 3 sets out the matters which the University expects to be included in an Intra-Group Agreement.

Decisions to withdraw or amend services provided to or on behalf of the University are taken by the Subsidiary Board in consultation with the University and this expectation should be included in the terms of the Intra-Group Agreement. The same protocol will apply to a scenario where the University is supplying services to a Subsidiary.

Subsidiaries will potentially be subject to Corporation Tax on their profits. This tax risk may be mitigated by gifting taxable profits to University should the Subsidiary Board determine to do so

(and usually recorded by means of a deed of covenant).

## 10. Composition and operation of Subsidiary Boards

Subsidiary Boards are ordinarily expected to have a mix of Executive Directors, Independent Non-Executive Directors (iNED) and Group Non-Executive Directors (GNED) (as defined in Appendix 1), with an expectation that at least one iNED will be appointed unless agreed otherwise.

GNED(s) appointed to the Subsidiary Board by the University shall be non-executive in that they do not have executive responsibility in the Subsidiary, but nor are they independent due to their Group role. All Directors will have the same fiduciary responsibilities but the GNED(s) will have different perspectives and reporting lines and will be attending the Subsidiary Board in part to communicate the University's views.

The University expects that all Directors take an equal role in the Subsidiary's decision making.

### Recruitment and appointment of Directors

The University has the right to:

- a. approve proposed appointments of Non-Executive Directors (iNEDs and GNEDs) and Executive Directors on Subsidiary Boards (see Appendix 3 for further details of how this decision is delegated within the University and the recommended recruitment process);
- b. remove Directors;
- c. require that the Directors undergo suitable induction and;
- d. require that all Directors appointed by the University be subject to appropriate due diligence to ensure that they are Fit and Proper Persons (see below).

Where it is proposed that a University representative be appointed as a Director of a new or existing Joint Venture, Associate / Affiliate or Other entity, please refer to Conflicts of Interest Guidance for University-appointed Directors.<sup>4</sup>

### Directors' induction

On the appointment of new Directors, the Subsidiary's company secretary should ensure that the Director is provided with a suitable appointment letter and provide them with relevant induction information in a suitable format such as a Director's handbook or guide.

### Rotation of Directors

The re-election of Directors is considered good governance practice. It helps to refresh the skills of the board and ensure that it is adapting to changes in its operating context.

Some individuals however are appointed as Directors because:

- a. their role in the University means they have particular expertise to contribute;
- b. their role in the Subsidiary company (i.e. as Executive Directors)
- c. they have the ability to maintain oversight on behalf of the University and its Board of Trustees; and/or
- d. it is good professional development for those individuals.

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<sup>4</sup> The approvals process relating to Spin Outs remains governed by the University's policy on Spin Out Formation.

It may therefore be desirable to maintain some individuals as Directors without rotation (in particular where they have been appointed because of their role).

See Appendix 3 for details of periodic reviews conducted by the University into the composition and terms of office of Subsidiary Boards.

### Directors' meetings

Subsidiary Boards are expected to meet as often as is necessary to transact their business. A minimum of twice per academic year is recommended, or such higher number as may be required in the Subsidiary's Articles.

### Register of Interests and Fit and Proper Persons Statement

The Office for Students Public Interest Governance Principles require that "*Members of the governing body, those with senior management responsibilities, and individuals exercising control or significant influence over the provider are fit and proper persons*". This is to ensure that the governance and management arrangements for a higher education provider are appropriate and do not present a risk to students or public funds.

All Subsidiary Directors are expected to complete an annual declaration of their interests and a guarantee of their 'fit and proper person' status, and to provide updates to the University whenever this changes. The University's Governance team will assist with this process (see section 13 "Key Contacts").

There is further guidance for Directors on what constitutes an 'interest' under the law and how to deal with potential conflicts of interest. This should be provided to all new and existing Directors and they are expected to abide by it.

## 11. Subsidiary Board effectiveness reviews

The University expects that each Subsidiary will undertake an appraisal of its own performance every three years. This will include a review of compliance with the Articles of Association (or equivalent), the Intra-Group Agreement and with this Subsidiary Governance Framework. A summary of key findings, lessons learned and actions to be taken as result should be reported to the **University's Audit & Risk Committee**. The University's Governance team will assist with this to ensure consistency of approach (see section 13 "Key Contacts").

## 12. Delegation Schedule and financial regulations for the Subsidiary

Each Subsidiary should maintain and periodically review (at least annually) a schedule of delegation and financial regulations, to be disclosed to the University if requested.

## 13. Dialogue with the University

The Chair of the Subsidiary Board has a dual role in ensuring:

- That there is an effective dialogue with the University's Executive, for example by holding regular meetings with members of the Executive, reporting to the University Executive Board (which is responsible for monitoring activities of Subsidiaries on behalf of the University), and through reporting into the University's Board of Trustees via the University Audit & Risk Committee and Finance and Infrastructure Committee as



- necessary.<sup>5</sup>  
That the views of the University as shareholder is communicated to the Subsidiary Board.

In addition to there being GNED(s) on the Subsidiary Board, the University expects to appoint a member of University Executive Board to be the **University Nominated Officer** to assist with good communication between the Subsidiary and the University – this individual will have full rights to attend all Subsidiary Board meetings as an observer and to receive papers presented to the Subsidiary Board, but with no voting rights.

The CEO of the Subsidiary is also responsible for maintaining strong, positive relationships with the University.

## 14. Group Policies and Procedures

Subsidiaries are expected to comply with and implement key University Policies, where applicable, see list in Appendix 4.

The University recognises that uniform implementation of the policies set out in Appendix 4 will depend on various factors such as the relative size of the Subsidiary to the Group, the regulatory pressures, as well as the level of compliance risk; however, it is expected that the Subsidiary opens up a dialogue with the University (via the University Nominated Officer) where it feels that there may need to be some adaptations to the implementation in some cases.

Where strict alignment with specific University policies is not feasible, the Subsidiary should adhere to the **core intent** of these policies. Any **material** deviations from the policies should be disclosed to the University to ensure continued alignment with the overall objectives of the Group.

Subsidiaries are also expected to align themselves with the University's relevant processes as set out in Appendix 4.

**Regulatory compliance** - The University recognises that each company governed by this Framework is a distinct and separate legal entity that is governed by company law. The University expects each company in the Group to ensure that it is compliant with all relevant legislation and applicable regulations, including Office for Students requirements in relation to [reportable events](#) in respect of other group companies, including joint ventures. The University has an agreed [procedure](#) for reportable events.

**The University's Audit & Risk Committee** acts as the Audit Committee for all Subsidiaries.

**Annual Governance Statement** - Each Subsidiary shall provide internal controls, risk management and governance assurance to the Audit and Risk Committee at least once a year. This should be signed off by the Subsidiary Board and should contain statements from each of the most senior operational and senior financial officers (outlining the matters set out in Appendix 4).

**Risk** - Each Subsidiary Board should establish and regularly review a register of its principal strategic and operational risks. The Subsidiary Board should adopt the University's Risk Management Framework, about which the University can provide advice, assistance and templates (see section 15 "Key Contacts"). The University Audit & Risk Committee will periodically do a "deep dive" into Subsidiaries' top risks.

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<sup>5</sup> It should be noted in the case of the NCC that reporting is made directly to the NCC Subsidiary Board, the committee within UoB with delegated authority from UEB for oversight of the dual-entity structure.



## 15.Key University Contacts

Name	Job role	Contact details
Shirlene Adam	Group Finance Director	<a href="mailto:Shirlene.Adam@bristol.ac.uk">Shirlene.Adam@bristol.ac.uk</a>
Edward Reeves	Head of Treasury	<a href="mailto:Edward.Reeves@bristol.ac.uk">Edward.Reeves@bristol.ac.uk</a>
Michael Flay	Head of Governance	<a href="mailto:Michael.Flay@bristol.ac.uk">Michael.Flay@bristol.ac.uk</a>
James Hackney	Head of Financial Reporting	<a href="mailto:James.Hackney@bristol.ac.uk">James.Hackney@bristol.ac.uk</a>
Jeff Kirkham	Head of Tax	<a href="mailto:Jeff.Kirkham@bristol.ac.uk">Jeff.Kirkham@bristol.ac.uk</a>
Tom Loader	Internal Audit Manager	<a href="mailto:Tom.Loader@bristol.ac.uk">Tom.Loader@bristol.ac.uk</a>
Rob Logan	Director of Procurement	<a href="mailto:Rob.Logan@bristol.ac.uk">Rob.Logan@bristol.ac.uk</a>
Lucinda Parr	Chief Operating Officer	<a href="mailto:Lucinda.Parr@bristol.ac.uk">Lucinda.Parr@bristol.ac.uk</a>
Lucy Penrose	Deputy Head of Governance (Clerk to the UoB/NCC governance Committee)	<a href="mailto:Deputyhead-governance@bristol.ac.uk">Deputyhead-governance@bristol.ac.uk</a>
Clare Smith	Associate Director of Legal Services	<a href="mailto:Clare.Smith@bristol.ac.uk">Clare.Smith@bristol.ac.uk</a>
Peter Vermeulen	Chief Financial Officer	<a href="mailto:Peter.Vermeulen@bristol.ac.uk">Peter.Vermeulen@bristol.ac.uk</a>
Rosalind Darby	Senior Investment & Commercialisation Manager, DREI – For any spin out enquiries	<a href="mailto:Rosalind.Darby@bristol.ac.uk">Rosalind.Darby@bristol.ac.uk</a>

## Version Control

Version Control	Version 8	Approval record	
<b>Author:</b>	Lucy Penrose, Deputy Head of Governance and Harriet Ainsworth, Lawyer (SECO)	<b>Approval:</b>	Board of Trustees 26 June 2020 University Executive Board 18 March 2025
<b>Date written:</b>	22 February 2025 February 2024 (revised) 11 March 2020	<b>Updates:</b>	8 April, RK 21 April 2020 – LB, HQ,SJ 22/23 April 2020 SJ 30 April, RK 30 April SJ, LB 25 May 2020 – CP 27 May 2020, SJ/LB 29 May 2020, RK 3 June 2020, LB 4/5 June SJ 5 June, RK Feb 24, LP July 24 LP/HA 13 Sept 2024 LP/HA December 2024 LP/HA February 2025, LP/HA
<b>Current status:</b> <b>Appendices:</b>	<b>Draft</b> Appendix 1 Definitions Appendix 2 List of UoB Subsidiaries Appendix 3 Appendix 4		Pending approval from UEB on 18 <sup>th</sup> March 2025

## Appendix 1

### Definitions

**“Director”** means a company director as defined in the Companies Act 2006.

**“Executive Director”** means a member of the Subsidiary Board who is part of the executive management team of the Subsidiary.

**“Independent Non-Executive Director” (iNED)** means a Non-Executive Director who is deemed to be independent of the University;

**“Group Non-Executive Director” (GNED)** means a Non-Executive Director who is an employee / consultant / trustee or otherwise engaged by the University;

**“Intra-Group Agreement”** means a written agreement between the University and its Subsidiary or between Subsidiaries.

**“Joint-Venture”** means, for the purposes of this Framework, a company of which the University is a shareholder (whether minority or majority shareholder) together with one or more third parties on an equal basis.

**“Members”** means those who subscribe to a company's memorandum (with their membership commencing upon the company's registration) and those who agree to become members of a company and are registered as such in the register of members.

**“Primary purpose trading”** means trading that is carried on by a charity in the course of carrying out a primary purpose of the charity. For the University, its primary purpose is set out in its Charter.

**“Non-primary purpose trading”** means trading which is not primary purpose trading.

**“Non-Executive Director”** means a member of the Subsidiary Board who is not part of the executive management team of the Subsidiary.

**“Shareholders' Agreement”** means an agreement made between the shareholders dealing with terms governing issue and transfer of shares, directorships and so on and/or in a Joint Venture to deal with the ongoing relationship of the Joint Ventures as shareholders in the Joint Venture company after completion, and covering such issues as appointment of Directors, reserved matters for shareholders, capital and so on.

**“Spin Out”** means a company set up for the purpose of commercializing intellectual property rights in which the University holds an interest.

**“Subsidiary”** means a company in which the University: a) holds a majority of the voting rights;  
b) is a member and has the right to appoint or remove a majority of the directors;  
or c) is a member and controls, alone, under an agreement with other members, a majority of the voting rights.

**“Subsidiary Board”** means the members of the board of Directors of the relevant Subsidiary

## Appendix 2

List of Subsidiaries / Joint Ventures / Associates / other entities

## Appendix 3

University approvals and Key requirements in relation to Subsidiaries and Joint Ventures

## Appendix 4

Policies and Procedures

## SUBSIDIARY GOVERNANCE FRAMEWORK

Appendix 2 – Last Updated 21 February 2025

### Part A - Subsidiaries

Company Name	Type of 'holding' e.g. majority/ minority/ joint venture	Company Purpose	Date of Incorporation	Company Registration Number	Issued share capital	Directors	Any Independent Non-Executive Directors appointed?
<b>NCC Operations Limited (NCCOL)</b>	100% Shareholding	Provisions of goods and services based on composites technology at the University's National Composites Centre	5 July 2010	07304890	1	Richard Oldfield  Tim Rose	No, however there are non-executive roles covering this function on the NCC Subsidiary Board, which is a sub-committee of UEB.
<b>Langford Veterinary Services Limited (LVS)</b>	100% Shareholding	Veterinary services	22 January 2009	06798554	2	Steve Howell  Professor Sarah George  Shirlene Adam  Dr Hattie Lawrence  Timothy Parkin	Yes

Company Name	Type of 'holding' e.g. majority/ minority/ joint venture	Company Purpose	Date of Incorporation	Company Registration Number	Issued share capital	Directors	Any Independent Non-Executive Directors appointed?
<b>The Science Research Foundation</b>	100% control as sole Member	Promotion of research & development companies	22 January 1987	02092134	Company limited by guarantee	Alison Evans Edward Paul Reeves  Simon Charles Bond	No



**Part B - Other Entities in which UoB has an interest<sup>1</sup>**

Company Name	Type of 'holding' e.g. majority/minority/joint venture	Company Purpose	Date of Incorporation	Company Registration Number	Issued share capital	Any UoB Nominated Directors appointed?
<b>CIELIVESTOCK LIMITED</b>	Awaiting confirmation re UoB holding	A vehicle to deliver projects funded by UKRI in the livestock sector	18 December 2015	09922986	Company limited by guarantee	No
<b>BRISTOL CLIMATE AND NATURE PARTNERSHIP CIC</b>	<ul style="list-style-type: none"> <li>- Other - UoB is a Member along with at least 10 other organisations</li> <li>- UoB has right to appoint a Director to the Board</li> </ul>	A vehicle to projects in the city of Bristol	29 May 2014	09062455	Community Interest Company	Naomi Gornall

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<sup>1</sup> University Spin out company list published here: [All Spin Out Companies List | Business and partnerships | University of Bristol](#)

Company Name	Type of 'holding' e.g. majority/minority/joint venture	Company Purpose	Date of Incorporation	Company Registration Number	Issued share capital	Any UoB Nominated Directors appointed?
<b>NATIONAL COLLEGE FOR NUCLEAR</b>	<ul style="list-style-type: none"> <li>- Other - UoB is an organisational Member (along with 5 other organisations)</li> </ul>	A vehicle to enable interested bodies (including universities and HEI's) to collaborate in the nuclear sector	15 March 2016	10064231	Company limited by guarantee	Professor Peter Flewitt  Tom Robinson
<b>THE BRISTOL CULTURAL DEVELOPMENT PARTNERSHIP</b>	<ul style="list-style-type: none"> <li>- Proposal to strike off company submitted to Companies House</li> <li>- Associate / Affiliate - UoB a Member (with three other Members appointed)</li> <li>- UoB has right to appoint up to three Directors to the Board</li> </ul>	Promotes new artistic and cultural developments of national significance in Bristol and across the West of England. Winding up petition has been submitted.	18 December 1992	02775034	Company Limited by Guarantee	Professor Madhu Krishnan Professor Judith Ann Squires
<b>MEDICAL SCHOOLS COUNCIL</b>	<ul style="list-style-type: none"> <li>- Other - Universities UK is the Holding Member of the charity</li> <li>- UoB is part of the wider membership structure and could have a representative elected to the Board of Trustees</li> </ul>	Representative body for UK medical schools.	17 December 2013	08817383	Charitable Company Limited by Guarantee (registered charity number 8817383)	Professor Chrissie Thirlwell is a Trustee / Director

Company Name	Type of 'holding' e.g. majority/minority/joint venture	Company Purpose	Date of Incorporation	Company Registration Number	Issued share capital	Any UoB Nominated Directors appointed?
<b>UNIT DX LTD</b>	- Other - UoB holds 6% of shares	A vehicle for incubating science and engineering start-ups in Bristol	3 February 2016	09985771	Company limited by shares	Dr Jane Khawaja
<b>THE ENERGY CONSORTIUM (EDUCATION AND PUBLIC SECTOR)</b>	- UoB is a member of the company - No automatic right to board representation	Formed to deliver services to members in energy procurement, data reporting, risk management and cost reduction on a not-for-profit basis	3 April 2003	04722107	Company limited by guarantee	No
<b>EQUAL IN SIGHT LTD</b>	- No UoB shareholding	To be confirmed	3 June 2024	15758368	Company limited by shares	Professor Roberta Guerrina Dr Jess Pilgrim
<b>SETSQUARED LIMITED</b>	- Joint venture - equal one sixth shares with Universities: Cardiff, Exeter, Southampton, Bath and Surrey	Supporting SetSquared Universities collaboration activity	28 July 2020	12774234	Company limited by shares	Andrew Wray

## SUBSIDIARY GOVERNANCE FRAMEWORK

### Appendix 3: University approvals and key requirements in relation to Subsidiaries and Joint Ventures

Last Updated 24 February 2025

#### 1. Matters which require University Board of Trustee approval

As set out in the University's [Financial Regulations](#), as derived from the University's [Scheme of Delegation](#), and on the recommendation of the University's Executive Board and the Finance and Infrastructure Committee, the **University Board of Trustees** must approve the following:

##### a) **Incorporation, investment, disinvestment or closure**

- The incorporation of new Subsidiary companies by the University, or its subsidiaries.
- The establishment of companies as Joint Ventures between the University and other organisations, other than technology spin-outs (which are approved by the Vice-Chancellor, who delegates authority to Chief Financial Officer and Director of Research & Enterprise).
- Acquisitions of a controlling interest in a company (a controlling interest is defined as more than 50%).
- Investment in the share capital of another company where this investment is over £500k.
- Terms of loans between the University and its Subsidiaries with a value of more than £20m.<sup>1</sup>
- Group restructuring i.e. the transfer of assets and liabilities between Group companies.
- Closure of a company, a sale of equity, transfer of business, or to relinquish membership in it. (Approval of sale of equity or transfer of business in technology spin-outs is delegated to the University Executive Board.)
- Taking all decisions and undertaking all acts that are desirable in relation to any shareholding, membership or voting rights (with a value of over £20m).<sup>2</sup>

##### b) **Strategic approvals**

- Approve (as recommended by FIC) Subsidiary company strategies, annual business plans and budget (this may be through the approval of the University's consolidated Strategy and Financial Plans where Subsidiary strategies and plans are wholly aligned).
- Approve any significant extension of the Subsidiary company's activities into new areas.
- Approve Key Performance Targets for the Subsidiary to ensure strategic alignment with the University (which are set and monitored by the Finance and Infrastructure Committee).

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<sup>1</sup> Other investment decisions such as loans between £5m - £20m are decided by the Finance and Infrastructure Committee. See also: [Ordinance 4 of the University's constitution](#).

<sup>2</sup> The **University's Finance and Infrastructure Committee** has delegated authority, via the University Scheme of Delegation, to take all decisions and undertake all acts that are desirable in relation to any shareholding, membership or voting rights in relation to Subsidiaries, Joint Ventures and Associates of the University with a value up to £20m in a single or connected set of transactions. This does **not** apply to Spin Outs for technology purposes where shareholding, membership, Director appointments are made by the Executive.

## **2. Matters which require University Sub-Committee approval**

### **a) Board appointments**

**Independent Non-Executive Directors** – the appointment to any Subsidiary company must be approved by the University's Finance and Infrastructure Committee, on the recommendation of the University's Nominations Committee. In the event of any remuneration approvals required in relation to an Independent Non-Executive Director, this should be included in any appointment proposal to the Nominations Committee. In the event of appointing an Independent Non-Executive Director with a remuneration package, the University's Remuneration Committee will determine those remuneration arrangements.

**Group Non-Executive Directors** – the appointment of such Directors to any Subsidiary company must be approved by the University's Executive Board, on the recommendation of the Subsidiary Board.

**Executive Directors** – the appointment of such Directors to any Subsidiary company must be approved by the University's Executive Board, on the recommendation of the Subsidiary Board.

### **b) Board recruitment**

Applications for new Directors (of any type e.g. Independent NED, Group NED, Executives) should be sought by the Subsidiary Board.

Interviews for the Independent Non-Executive Directors are conducted by the University's Nominations Committee in conjunction with the Chair of the Subsidiary Board (or in the case of the recruitment of the Subsidiary Board Chair, another nominated Director). A recommendation is then made to the Finance and Infrastructure Committee for approval. Likewise, interviews for Group Non-Executive Directors are conducted by a sub-group of the University Executive Board in conjunction with the Chair of the Subsidiary Board. A recommendation is then made to the full University Executive Board for approval.

### **c) Board composition**

The **University's Nominations Committee** will carry out a periodic review of the terms of office of the Independent Non-Executive Directors of companies covered by this Framework, considering each appointment on a case-by-case basis, and make a recommendation to the **University's Finance and Infrastructure Committee. University Executive Board** will likewise carry out a periodic review of the Non-Executive and Executive Directors of companies covered by this Framework.

### **d) Removal of Directors**

The University has the right as shareholder to remove any Director of a Subsidiary. Where it is proposed that a GNED or Executive Director of a Subsidiary should be removed for any reason, the **University's Executive Board** has delegated authority to exercise this decision on behalf of the University, in consultation with the Subsidiary Board. The University's Nomination Committee shall make a recommendation to the University's Finance and Infrastructure Committee where it is proposed that an iNED should be removed.

## **3. Other rights and powers of the University as shareholder under the Companies Act 2006**

As a shareholder, the University, individually or jointly with other shareholders, has certain other rights and powers (not already listed above) under the Companies Act 2006 (although

the exercise of such powers is discretionary – the below list is an extract from the Companies Act 2006):

- Approve the company's final dividend;
- Appoint or re-appoint the company's auditors;
- Approve amendments to the company's articles of association;
- Grant authority for the directors to allot new shares;
- Disapply pre-emption rights;
- Buy back the company's own shares;
- Approve the making of political donations;
- Approve substantial property transactions between the company and directors;
- Approve loans to directors;
- Approve directors' service contracts;
- Approve the directors' remuneration report and remuneration policy.

For delegates within the University who may exercise these powers on behalf of the University as shareholder, please refer to the Delegation Schedule.

#### **4. Intra-Group Relationship (Articles and Intra-Group Agreement)**

- **Intra-group trading** – the following matters should be included in the Intra-Group Agreement:
  - The basis of appointment of the Subsidiary for the provision of goods and/or services to the University;
  - The charging mechanisms adopted for services between the University and the Subsidiary or between Subsidiaries. It should be noted that Subsidiaries must operate at arm's length from the University. This means that the all services or assets used must be paid for at a rate that does not amount to the University providing a financial subsidy to the Company. Where the University is providing services to a Subsidiary, generally this will be charged on a cost sharing basis. HMRC has regard to transfer pricing rules, and has also indicated that it expects Subsidiaries to demonstrate this arm's length arrangement by generating an appropriate profit (i.e. charging the University for services rendered on an arm's length basis).
  - Intra-group charging mechanisms should also confirm arrangements in relation to VAT (which will depend on whether the Subsidiary is within the University's VAT group).
  - Details of the Dispute Resolution Mechanisms for dealing with disputes in relation to the provision of services.
- **Strategic approvals by the University** - the following matters should also be included in the Intra-Group Agreement:
  - The environment in which the Subsidiary operates (e.g. commercial, non-commercial, regulatory);
  - The purpose and responsibilities of the Subsidiary;
  - Approval by the University required: for all borrowings, including company overdraft facilities; entering into a joint venture or setting up a subsidiary company; significant extension of the company's activities into new areas; any decision to cease to operate all or any material part of the Subsidiary's business; and the acquisition or disposal of certain assets.
- **Governance** – If not included in the Articles of the Subsidiary, the following matters should be included in the Intra-Group Agreement to clarify who does what and how to seek University approval where required:
  - Changes to the structure, size, and composition of the Subsidiary Board;
  - Changes to the constitution/Articles;



- The nomination or direction for removal of Directors of the Subsidiary;
- The nomination or direction for the removal of the Subsidiary's company secretary;
- Changes to the external auditor, if any;
- Changes to the Subsidiary's external legal advisor, if any.

## SUBSIDIARY GOVERNANCE FRAMEWORK

### Appendix 4: Policies and Procedures

Last Updated 19 February 2025

#### Alignment with University Policies

Subsidiaries are expected to adopt policies which align with key University Policies:

- Risk Management Framework (and maintain a Risk Register)
- Health & Safety Policy
- Freedom of Information Policy
- Whistleblowing Policy
- Modern Slavery and Human Trafficking Statement
- Counter-Fraud Policy (and to make annual fraud returns to the University)
- Anti-corruption and Bribery Policy (and to make annual anti-bribery returns to the University)
- Conflicts of Interest Regulations
- University Procurement Regulations
- Equality, Diversity and Inclusion Policy Statement
- Sustainability Policy
- Code of Conduct
- Data Protection Policy
- OfS Reportable Events procedure
- Research Ethics
- Tax Strategy

Where strict alignment with certain University policies is not feasible, the Subsidiary should attempt to adhere to the **core intent** (the principles and spirit) of these policies. Any **material** deviations from the policies should be disclosed to the University, to ensure continued alignment with the overall objectives of the Group.<sup>1</sup> The Subsidiary must also explain to the University the alternative policy that has been adopted in its Annual Governance Statement (see below).

#### Alignment with University procedures and systems

Subsidiaries are expected to:

- report on their website regarding their governance, including membership of the Subsidiary Board, number of Board meetings held annually, and whether any sub-committees of the Subsidiary Board have been established;
- report any issue of significance as soon as possible to the Chief Operating Officer of the University;
- maintain appropriate insurance policies;
- maintain their own financial regulations and share these with the University if requested;
- maintain the same financial year as the University;
- seek approval from the University for any change in External Auditor and to participate fully in the internal audit programme;
- Seek approval from the University for any significant re-brand being undertaken in

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<sup>1</sup> The purpose is to ensure transparency and consistency, while recognising that some Subsidiaries might operate differently without compromising the overall integrity of this Framework.

- order that the University can assess the impact on the Group;
- maintain the office of company secretary (as appointed by the University);
- ensure appropriate policies and procedures are in place to ensure that the Subsidiary is compliant with UK law, and that these policies and procedures are followed by the Subsidiary; and
- when recruiting Directors or senior employees of the Subsidiary, as far as practicable, adhere to the normal recruitment processes of the University, including conducting appropriate due diligence.

### **Annual Governance Statement**

**The University's Audit & Risk Committee** acts as the Audit Committee for all Subsidiaries.

An **Annual Governance Statement** should be provided to the **University's Audit & Risk Committee**, approved by the Subsidiary Board. The statement should cover the following matters:

- Details of matters arising in respect of the company that may be relevant for the University and its obligations to the Office for Students (the Higher Education Regulatory Body).
- Confirmation that: a) the company continues to operate solely for the purpose as approved by the University, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved; and b) the company is in compliance with the Framework together with the University's Corporate Governance Framework, with full explanations for any derogations clearly explained and identified or the timeline for full compliance indicated.
- Confirmation regarding key governance policies adopted and maintained during the year.
- Confirmation regarding the appointment and remuneration strategy and process for senior staff.
- Confirmation that the company has an appropriate system of internal and financial control in place.
- Details of the number of Subsidiary Board meetings (and its committees) and the attendance of each Board and committee member (including members who are current and those who have stood down during that year), and any key strategic decisions that the Board has made during the course of the year.
- Confirmation that there has been a review of the effectiveness of the internal control system.
- Confirmation that the Subsidiary Board has carried out an assessment of the company's principal risks, including a description of these risks, and associated mitigation measures or strategies.
- Confirmation that disposal procedures (see section 7 of the Framework) have been complied with.
- Confirmation of the company's compliance with tax laws and alignment with the University's tax strategy.