

MINUTES

Meeting of:	Scottish Futures Trust Investments Limited – Board
Date & Time:	Tuesday 20 September 2022, 3pm
Place:	By video conference
Present:	Ian Russell (IR) Bill Matthews (BM) Pauline Mills (PM) Peter Reekie (PR)
Apologies:	Graham Watson (GW) Ann Allen (AA)
In attendance:	Caroline Whyteside (CW) Liz Petrie (minutes)

FORMALITIES

1 Apologies

Apologies were noted from GW and AA following the rescheduling of the meeting from 12 September 2022.

2 Declaration of Directors' Interests

There were no new declarations of interest.

3 Minute of previous meeting

The minute of the meeting of 22 March 2022 was agreed as a correct record.

4 Actions tracker

The status of logged actions was noted. It was agreed that the verbal update on board diversity should be carried forward to the next meeting.

MONITORING

5 Investment Review

The Board noted the report covering: the investment performance of hub DBFMs; hub company performance; and housing investments.

The Board discussed the impact of inflation on the hub companies' project pipelines and was advised that this is being closely monitored with the probability of some projects in the existing pipelines being reduced. Given that the SFTi Board is not due to meet until March 2023, the Board requested that an update on the impact of inflation on the pipelines and viability of hub companies be brought to the SFT Board in the intervening period.

Update on hub companies' pipelines and viability to be taken to the SFT Board.

[REDACTED]

6 Risk register

The Board noted the SFTi risk register including the new risk of non-performance of obligations by, or insolvency of, housing LLPs leading to financial loss or damage to the reputation of the Company.

DECISION

6 Approval of Annual Accounts

The Board noted that the Annual Accounts and Financial Statements were reviewed by the Group Audit Committee on 29 August 2022 and that, subject to a number of minor clarifications to the notes to the accounts and parent company support being confirmed, the Committee had recommended approval.

The Board confirmed satisfaction that disclosure requirements had been met and CW advised that there were no further post-balance sheet events that required to be disclosed.

Subject to the SFT Board of Directors confirming parent company support to SFT Investments Ltd, the Board approved the SFT Investments Ltd Annual Report and Financial Statements 2021-22 and authorised their signature by IR and PR.

The Board further noted that the Group Audit Committee had reviewed the draft letter of representation and recommended it for approval. The Board approved the Letter of Representation and authorised its signature by PR.

7 Mutual Investment Model

The Board noted the report summarising the development of the Mutual Investment Model (MIM) to date and seeking in principle approval to invest in future projects procured under MIM. The Board confirmed its approval in principle to invest in future projects under MIM subject to a further two stage approval process comprising: further consideration in principle once any proposed project or programme of projects is better understood; and final specific investment approval being sought when any investment is required.

The Board further acknowledged the potential for significantly larger single investments than undertaken by the Company to date on hub DBFM projects.

Given that the SFTi Board is not due to meet until March 2023, the Board requested that any significant progress be reported to the SFT Board in the intervening period.

Any significant progress on the potential for SFTi to invest in future MIM projects be taken to the SFT Board.

8 AOB

There was no other business.