

## THE NDA NORTH HIGHLAND REGENERATION FUND

**MINUTES** of the **12th** Board Meeting of the above named Company held at the NDA office, Freswick House, Forss on the 14 January 2008 at 09.00.

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**PRESENT:** John Thurso, MP (Chairman)  
Neil Robertson, New Park Management  
John Lawes (acting NDA Director)

**IN ATTENDANCE:** Derrick Milnes, Dounreay Stakeholder Group  
Elizabeth Stephenson, NDA (Secretary)

**APOLOGIES:** Prof. John Fyfe, Independent  
Carroll Buxton, CASE  
David Flear, Highland Council  
Randall Bargelt, NDA Director

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### **1 BOARD UPDATE**

JT noted John Farquhar had resigned as a director of NHRF, effective immediately. Randall Bargelt will be appointed as the replacement NDA Director. ES has obtained a signed resolution from the NDA to this effect and will file the necessary Companies House paperwork.

JT read out the letter of resignation from John Farquhar and noted John had worked extremely hard in giving life to the idea of NHRF. The success of the Fund today is, to a large extent, down to John. The Board wish to record their thanks to John for all his hard work. JT will write to John expressing this.

ES explained that the quorum for the Board meeting is one NDA director and one other director. John Lawes will act as an alternate director to Randall Bargelt for this meeting only, pursuant to clause 16 of the Articles of Association. The Board agreed this course of action.

### **2 CONFLICT OF INTEREST**

There were no conflicts of interest to record.

### **3 MINUTES OF THE PREVIOUS MEETING**

The minutes of the Board Meetings from 21 November 2007 were agreed. NR clarified that a loan was awarded to SO Publications Limited on 21 December 2007 as a result of Board decisions via email rather than at a meeting.

### **4 MATTERS AND ACTIONS ARISING**

4.1 The updated Action List is attached.

## 5 FINANCE

- 5.1 JT noted that the NDA is providing further funding of £1 million to NHRF in two instalments. The second instalment is subject to NHRF delivering audited accounts in a proper manner.
- 5.2 NR updated the Board on the financial situation of NHRF and noted that, for the first time, incoming cash flow is greater than outflow. NR noted that new signatories to the account are needed.

### **Action 12.1:**

NR to prepare a draft budget for the next financial year (in a monthly spreadsheet format) for approval at the next Board.

## 6 REVIEW OF PROJECTS AND ENQUIRIES

- 6.1 NR noted there were two new enquiries since the last meeting.
- 6.2 The Board discussed further progress on various applications.

## 7 CONFIRMATION OF APPROVED PROJECTS

- 7.1 There were two applications for Board decision to make at the meeting. The Board reviewed the application from Pentland Power Limited and agreed to postpone making the decision until the next Board meeting.

### **Action 12.2:**

NR to speak to CB regarding the Pentland Power Limited application

- 7.2 The Board discussed the application from Caithness Food and Horticulture Limited and, more generally, the belief that some funding should be in social enterprise. The Board approved the loan of £35,000.

## 8 STRATEGY DISCUSSION

- 8.1 JT noted this item merits consideration of the fuller Board but reviewed the main points of the document. The Board considered a number of issues e.g. the Scottish Enterprise funding mechanism, the possibility of highlighting the £50,000 limit, the time limit of the Fund and the grouping of the objectives into (a) investing and (b) mentoring.

### **Action 12.3:**

ALL to comment on the paper before the next Board

### **Action 12.4:**

NR to provide further information on Scottish Enterprise funding

### **Action 12.5:**

NR to draft a section on "Method"

**9 RISK MANAGEMENT**

9.1 There was no update on risk management.

**10 AOB**

10.1 The Board discussed the NHRF policy on conflict of interest and, particularly, the conflicts New Park may face.

**Action 12.6:**

ES to draft statement that the NHRF accepts the fact New Park may face conflicts in certain circumstances for Board approval

There was no other business and the meeting was closed.

The next meeting is to take place on 14 March 2007.

## **Action 12.6**

### **Draft proposal for conflict of interest**

NHRF accepts that New Park Management Limited ("New Park"), by nature of the business in which they are involved, will regularly be both dealing with companies on their own account and acting in their capacity as incubator manager for HIE and in their capacity as manager for NHRF.

NHRF accepts this potential conflict of interest exists and this is acceptable provided that, in accordance with clause 4 of the management agreement between the parties, if New Park is in any way, whether directly or indirectly, interested in any applicant or any loan application made by an applicant, it shall, without delay, declare that interest and the nature of that interest to NHRF. The interest shall also be declared when New Park makes any recommendations to NHRF regarding the relevant application or application. In either case, New Park shall satisfy the NHRF Board that New Park is able to take the application forward in a proper and correct manner.