



Present:

Alan Benton	Member
Mike Bunyan	Member
Steve Carter	Member
Richard Hutchinson	Member
Paul Philip	Member
Steve Riches	Member
Tracy Penfold (Chair)	Trustee
Phil Grundy	Principal
Sophie Boyack	Trustee
Dave Brown	Trustee
Claudine Crossley	Trustee
Ginette Hogan	Trustee
Richard Palmer	Trustee
Andy Sikora	Trustee

Also in Attendance: Tom Capewell and Nick Hyde (Deputy Principals)
Jacob Adeshina (Acting Chief Finance Officer)
Tim Morris Company Secretary/Secretary to the Board
Subarna Banerjee and Isabelle Regan (UH Young Statutory Auditors)
Sue Gill (Clerk to the Trustees)

Action summary:

4.1.13	Members and Trustees to send comments on the Accounts report to Jacob Adeshina
4.1.15	Jacob Adeshina to share Accounts document with Members and Trustees.
4.1.19	Jacob Adeshina to provide responses to Steve Riches' questions.
7	Date of Next AGM – Chair and Company Secretary to arrange.

- 1. Welcome from the Chair of Trustees**
Tracy Penfold welcomed everyone to the meeting.
- 2. Apologies for absence**
An apology for absence was received and accepted from Christina Proffitt.
- 3. Declaration of Members' and Trustees' Pecuniary Interests/Gifts and Hospitalities**
 - 3.1 It was noted that all Trustees and Members had completed the declaration forms.
 - 3.2 There were no declarations of interest pertaining to the agenda items.
 - 3.3 The following standing declarations were noted:
Tracy Penfold – governor on Opossum Federated and Edinburgh Primary GBs
Claudine Crossley – governor on Churchfields Primary GB
- 4. UH Young presentation to Trustees on audited accounts 2019-2020 and Trustee questions on the report**
 - 4.1 Subarna Banerjee introduced himself and Isabelle Regan. He thanked Jacob Adeshina and Imran for their input on the accounts. He highlighted the following from the external auditor's report:

Chair's Initials:

- 4.1.1 Page 3 – the accounts team remained independent of the organisation.
- 4.1.2 Page 5 –Audit status. There were a few points to ‘tidy up’. Isabelle Regan will be contacting Jacob Adeshina to obtain the information so that the document can be signed off in time for the deadline on 31-1-2021. The team looked at the one to three-year forecasts and future budgets, there will be some planned deficits in the future, but there were still enough reserves to keep going.
- 4.1.3 Page 13 – the audit team ran through the risks within the audit plan. Revenue was appropriately checked, recognised and in the correct period. All amounts of income were correct and accurately recorded. No issues were identified for revenue recognition.
- 4.1.4 Page 15 – valuation and disclosure of the pension scheme. With the material nature of the liability, this was the reason it was identified as a risk. There was a misstatement within that, so will ensure that the correct adjustments were posted. There was an updated assumption for the year and increased the closing of the liability to £3.9million by £914,000. No issues were identified in respect of the assumptions or how the valuation was prepared.
- 4.1.5 Page 16 and 17 - Allocation of funds was a regularity. The audit team looked at the governance and value for money. Policies in place were reviewed to ensure that they were in line with the Academies’ Financial Handbook. No issues of non-compliance were identified. Regarding related parties, the academy accounts requires that these were disclosed, including any business interests of staff or close family members. A review on Companies House of the main Trustees was undertaken to ensure that any directorships were disclosed.
- 4.1.6 Page 18 - No issues were identified and the audit team was happy with the depreciation that had been accounted for. The only issue that was encountered was in respect of fixed assets, as there was the double counting of some capital items. This was rectified.
- 4.1.7 Management letter (page 20-23) – points referred to deal with points raised in the previous year and how these were addressed. There was one area in terms of the tangible fixed assets and part of the fixed asset register which needed some improvement. (Page 24 – 26) There were five points in this year’s management letter:
- Tangible fixed assets- there was some double counting of the fixed assets. This had now been reversed (£170,000).
 - Details of a recently appointed Trustee were not on the school website
 - The capital threshold of £2,500 was not always adhered to. There were some adjustments required.
 - The intangible fixed assets, which was raised last year.
 - An issue around computers and the fixed asset register. There were equal errors between the trial balance and the register.
- 4.1.8 **Q1: On a point of detail, the pension liability increased by £ 914,000. Was this just a year on year increase or an adjustment to what had been presented?**
- A: The adjustment was posted when the actual report was received. It is just the year on year adjustment that was always posted. The actual report was received a bit later after the audit process was started.

Q2: Looking at the five different points that were highlighted in the report, would the auditors like to give an indication as to how the five points compared with other schools that the audit team supported?

A2: There was a cross section of clients of five academies. It was very rare to have no findings whatsoever. Usually 11 or 12 findings were found from audits.

4.1.9 Moving onto the audited accounts - Statement of financial activities (page 23). This was basically the profit and loss accounts. The total income had decreased from £10.2 million to £9.6 million. This was predominantly due to the reduction in donations and capital grants. The total expenditure had increased from £10.1 million to 10.4 million. It was better to be in a surplus position year on year.

4.1.10 Balance sheet – tangible fixed assets had decreased by £400,000. The depreciation had been applied in the year, there were also other movements around debtors and cash. The meeting was reminded that the pension scheme liability had increased by £900,000.

Q1: Re. the net expenditure, the vast majority of that was the pension scheme liability, which is not really an expenditure of the school?

A1: There was a net expenditure of £782,000 which was predominantly before the pension scheme adjustments. The depreciation comes out of the fixed asset. This was similar to other academy trusts.

Q2: Net expenditure, was the vast majority on the pension scheme not expenditure of the school?

A2: The expenditure was £782,000 before the pension scheme adjustments.

Q3: Did the £500,000 depreciation come out of reserves?

A3: This was an accounting deficit ideally showing a surplus. The £782,000 amount should be seen as a surplus. There was enough generated income to cover expenses.

Q4: Was there a pension deficit or not?

A4: This was something that could not be controlled. The net income (£782,000) should be seen as a positive number. The school should be generating a surplus that covers the depreciation charge.

Q5: This had come from funds received in the past including when the school became an academy. The depreciation of £500,000 should have a surplus of that amount to cover depreciation.

A5: Other trusts also operated that policy.

4.1.11 Members and Trustees were concerned about this point. To suggest to allocate £500,000 out of the current year's funding was deemed unacceptable. Members and Trustees recommended that this funding should be for the students. They felt that if the school should retain the £500,000 and build up on the balance sheet as reserves, central government would take back if it was not spent. This would however, enable the school to have capital for future assets.

4.1.12 Members and Trustees were informed that they were required to pay for buildings and that there was a need to invest in reserves for fixed assets. It was questioned whether these would be funded by central government or if this process was going to change. This question could not be answered by the auditors, but it was stressed that they could not rely on what was presently available for schools. It was encouraged that Trusts to be more self-sufficient and use their own money for capital use and not

assume that central government would pay for this. The school was in a good position regarding reserves and fixed assets.

Q1: Was it a legal requirement for the Trust to spend but to accumulate £500,000 to match depreciation?

A1: It was not a legal requirement, but to operate for the long term, there should be enough resources to maintain the asset base.

4.1.13 This was already in place before the school academized. Members and Trustees were informed by Subarna Banerjee that it was up to them to decide, but there would come a point when there would be insufficient funds and not enough money received from central government. An objection was voiced about the comments made by Subarna Banerjee regarding the reserves. The school as is in a healthy financial position regardless of the need to cover depreciation. It was agreed that this be discussed outside of the meeting.

Q1: How do other Trusts raise those funds, were they simply holding back or raising extra funds?

A1: By a number of means; holding a little back, subsidiaries being gifted up, extensive commercial income generated via lettings, selling off part of the land so that there was no reliance on the ESFA. Going forward, the Trust would need to decide what to do.

Q2: By selling off land, would the value not depreciate more?

A2: It would be sold at market value with excess of what it was previously worth.

Q3: Would the fixed assets depreciate?

A3: The prior adjustment had to be processed. Unless this was done, the fixed assets would need to be adjusted? adopted.

Q4: This could be a discussion in the future but could the Trust move to yearly evaluations for the land and buildings to address this issue?

A4: An evaluation model was not permitted. It had to be through the same accounting policy.

Q5: Was it sensible to build up funding for this?

A5: Maybe save a portion to promote the fixed assets of the Trusts going forward.

Members and Trustees were encouraged to feed through any other comments or questions to Jacob Adeshina, as the process had to be signed off before the deadline of 31 January 2021.

Action: Members and Trustees to send comments on the audit to Jacob Adeshina immediately.

4.1.14 Trustees were reminded that they had to recommend the Accounts for approval to the Members. A Member had sent questions to Jacob Adeshina. Isabelle Regan stated that she will discuss them with Jacob Adeshina outside of the meeting. It was remarked that if questions could not be answered at this meeting how could the Trustees agree to recommend to Members in time for the deadline. Also, the questions could have been answered prior to the meeting which would have saved time.

Q1: Page 2 – bank details were always included, why was it not there?

A1: This could be due to the accounting software. This will be added.

4.1.15 Jacob Adeshina informed the meeting that he did have sight of the questions and could provide feedback on some of the questions. He did not have responses for some as Isabelle Regain was working on them. He confirmed that the figures were correct from the nominal ledger code. Question 4 (income other sources £190,000) – the bulk of that was SEN funding. The figures for 2020 were correct, but there was no background information on the comparative figures for the last year as to why there was a large increase. Jacob Adeshina was working with Isabelle Regain to find the answers. These answers were not given on the night of the AGM but were supplied to Members/Trustees after the AGM once the questions had been investigated.

Q1: The LA grants mentioned other income resources. What was included in the LA Grant (£121,000)?

A1: There was a nominal code of Pupil Premium (£23,000) and SEND funding (£98,000)

Q2: Page 34 (Analysis of support costs), there was a 44% increase from last year. Why had it increased so much from £1.5 million to over £2million?

A2: The change did not reflect the fact that there were approximately 50 support staff appointed in the school. A number of nominal codes had changed during the year which could affect this figure.

Q3: The problem was that it was not comparing like for like. When will this take place?

A3: This should have been done and has now been allocated to the correct codes.

Q4: There was also a decrease in the technology costs. Was it because it was allocated in the wrong place every year?

A4: This was a transitional year when codes have changed. It made it more problematic, but this should be okay for next year.

Q5: What about the decreasing legal costs?

A5: This fluctuated a lot. Last year the professional insurance was approximately £70,000.

Q6: The money for the support cost must have come out from somewhere? Someone needs to go through this in detail comparing this and last year's figures.

A6: Note 8 (operational), there was a mismatch in the coding, hence why the support cost had increased. For someone to work through matching this would be time consuming.

Q7: Note 9 – staff costs, does that include support staff?

A7: That included all staff costs.

Q8: Overall staff costs were similar to the previous year. There were some other staff costs which had gone into a heading not disclosed on that page? Also, why was there not an audit query about something going up 44%?

A8: This was direct educational operational costs. The document will be shared with Members and Trustees with colour coding to keep it consistent as possible.

Action: Jacob Adeshina to share audit document with Members and Trustee.

- 4.1.16 All agreed that the difference was so significant that there was a need to obtain an analysis of what went into the 2020 and 2019 figures. Isabelle Regan stated that it was not possible to identify where it was in last year's figures. It was thought that this information should have been presented at least two/three weeks prior to the meeting, as it would put the Trustees and Members in a better position to agree and approve. It was felt that some of the responses at the meeting were unsatisfactory.
- 4.1.17 Note 9 – there was an error in the support staff costs. Subarna Banarjee stated that the document was issued on 18-12-2020, Trustees and Members did not feel that this was sufficient time. Moving forward, it was agreed to review what had happened and ensure from the Trustees' point of view, that a timetable would be agreed with the school and auditors and that this was adhered to and to allow the finance team and auditors to agree the figures.
- 4.1.18 Jacob Adeshina informed the meeting that the accounts were finalised in December 2020 when trying to prepare the year end journal to line up with auditors, when the issues came up. Hence the need to go back and update the misclassification of figures with auditors. Isabelle Regan shared the document with him prior to the meeting. The nominal codes were changed in 2019 and 2020.
- 4.1.19 Jacob Adeshina agreed to look into this and come back with responses. It was thought that issues will arise this year with the new ESFA nominal codes that all schools have to abide to. The new codes were introduced to ensure that all schools recorded income and expenditure on a standard template, to allow comparisons against other schools locally and nationally.
Action: Jacob Adeshina to provide responses to Steve Riches (see Appendix 1)
- Q: Note 9, there was an increase of 6.4%?**
A: The pension adjustment was included. Same as depreciation this had to be disclosed in the accounts.
- 4.1.20 Alan Benton proposed and Tracy Penfold seconded the approval of the audit report and accounts. All Trustees were in agreement. Tracy Penfold recommended to Members the approval of the existing audit report and accounts. All members were in agreement.

Subarna Banerjee and Isabelle Regan left the meeting at 7.10pm.

Members recorded their thanks to staff for their work over the last year. They also praised the senior leadership team and Trustees.

5. Minutes

5.1 Members and Trustees received the minutes of the AGM meeting held on 9 December 2019 and agreed these to be an accurate record of the meeting. The Chair of Trustees will sign a copy of the minutes and these will be retained by the school for filing.

5.2 Matters arising:

4.13	Company Secretary to organise Members' access to the Trust Board portal – this was actioned
4.16	Chief Finance Officer to send information re. CIF funding to Members - this was actioned

6.1	Peter Cates' memorial – The Principal reported that the school had liaised with the family, who chose a cherry tree. A plaque was also agreed. The only thing not possible to finalise was the family's visit to the school. Due to the pandemic the official memorial has yet to take place.
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6. The impact of COVID on the school

6.1 Staff were continuing to deliver lessons via remote learning. They were well equipped with the virtual learning environment. More work was being delivered live which helped to structure the students' working day.

6.2 Regarding concerns about digital access and how this was being addressed – the school has done everything it can to apply for laptops, mobile devices and internet time. As soon as they come through, they were passed out to families. There were more than 200 devices in the process or have been delivered this week to families who were not engaging with virtual learning.

6.3 Since the first pandemic the children of key workers and vulnerable students had been coming to school. The school had been opened since that time with the exception of the Easter Bank Holiday.

Q: Had the student numbers at the school increased significantly from the first lockdown?

A: There have been fluctuations in numbers who have come into school from lockdowns 1 and 2. In the main, the student population did not take advantage of the provision. There had been a changed message to families, going from every key worker sending their child to school to sending their child in when it was absolutely essential. Some parents were able to keep their children at home. Fridays was a more popular day for Key Worker children to be at home. There was an average of 30 to 40 students in school on most days during the first lockdown. This number tended to drop during the school holidays.

6.4 A Trustee stated that as a parent, she felt that the school had done a fantastic job. The students and staff made the most of the live lessons and it was recognised that it was hard for teachers to interact with the students. The Principal stated that the school was not resting on its laurels. Online lessons had been observed to process/gather best practice to share and staff were on board with wanting the experience to be beneficial both educationally and structurally, to give purpose to the day. It was recognised that some students were still struggling to establish this. Another Trustee also applauded the delivery of lessons.

Q1: With the increasing numbers of students turning up in schools nationally, how did teachers managed to teach live lessons and teach in the classroom at the same time?

A1: During the first lockdown, things were not the same as there was limited online teaching. The key worker provision was covered by cover supervisors and Teaching Assistants.

Q2: There was some outstanding provision of lessons, but students were glued to screens for five hours a day. Apart from the lunch break, was there any space for flexibility around screen time?

A2: This was discussed as a leadership team. A guide of good practice was developed so that students did not constantly have to look at a screen, as in a face to face lessons. Managing screen time was challenging.

- 6.5 Phil Grundy expressed concern for sustainability going forward. As the Principal he recognised the need to think carefully about what he asks staff to do. Some online lessons were labour intensive and there was a need to find ways of working to reduce the extra workload on teachers. This will be the next challenge. It was questioned how students could be kept engaged. It was noted that in Microsoft Teams, there were breakout rooms which the use of would be investigated further. This will be trialled with the sixth form students first to note any pitfalls.
- 6.6 With regard to free school meals, the school continued to utilise vouchers rather than using food hampers. Mass COVID testing was arranged for the beginning of the spring term.
- 6.7 Everything around COVID was increasing students' anxiety. Communication will be sent to students offering further guidance.

The school was re-introducing infection control measures. It was noted that two families had withdrawn their children from school. This was believed to be due to the pandemic.
- 6.8 Student behaviour had improved, when they returned after the first lockdown. This could be due to the smaller groups and staggered lessons and breaktimes.
- 6.9 Concluding the discussions, it was agreed that the Trustees would look at how communication was shared with parents. An update of how the school was operating during COVID was a useful item for the AGM and for the Members to know the life of the school over the last 10 months. Appreciation was again expressed to the Principal and staff of the school. This was echoed by all Members and Trustees.
- 6.10 In answer to a question, it was noted that the school had a three-year contract with the current auditors. They were appointed via the tendering process. It was reminded that it was the Members' responsibility to appoint the auditors. A discussion will be held outside of the meeting.

7. Date of Next AGM

The next meeting will be held in the first or second week of December 2021.

8. Any Other Business

There were no other items for discussion.

The meeting closed at 8.25pm

Chair: (print)

..... (sign)

Date:

Chair's Initials:

Appendix 1 Answers to Trustees / Members questions

Answer to Steve's questions

TOTAL = £42,788 (£27,249 + £15,539)

Other donations; is made up of 2 figures

Unrestricted donations - £27,249

Other Grants e.g Teaching Practice income 23,725

Donations e.g Jack Petchey award 3,524

Unrestricted donations - £15,539

Trips 15,539

Local Authority Grant - £121,016

LAC funding 22,921

LA Funding – SEN 98,095

Other income Sources - £190,085

Catering income 175,666

Music income and shows 8,941

PGCE student trainees 5,000

Misc – sale of calculators etc 478

Governance costs - £14,575

Audit 12,500

Other services e.g filings and AAR return 2,075

Analysis of Support costs

Note 8 of the accounts refers to the support staff costs.

Secondly, the figure presented by the auditors at the AGM has changed from £2,161,104 to £1,590,480. The error was due to the mis-analysis of data.

It is now £1,590,480 (2020), £1,473,784 (2019), which represents 7.9% increase.