

## **BEST Annual General Meeting**

4<sup>th</sup> December 2019, 10:00-10:35am

SWA, Block 20, Room 914

**Attendees:** Martin Petts (MP), Ilona Bond (IB), Paul Walker (PW), David Morgan (DM), Alan Lee (AL), Nafia Baust (NB) and Craig Smith (CS)

**Apologies:** Ian Morfett (IM), David Shelvey (DS), Peter Little, Tony Sanderson and Claire Mycock

**Quorum:** Members MP and IB satisfy the requirement for a minimum of two Members present

**Clerk:** Yvonne Humphryes

**Notification of any perceived conflicts of interest:** None

**Approval of Minutes:** Members' minutes (30.9.19) approved and signed.

### **Financial Statements**

On behalf of the Finance Committee Chair, DS, DM provided a summary of the 2018-19 Financial Statements.

The Finance Committee met on the 13<sup>th</sup> November to review the accounts; Mazars the auditors attended the committee meeting and presented their Audit Completion Report.

In summary the accounts are 'clean' and comply with the requirements of the new Academies Financial Handbook and Charities Commission and the three areas reported last year as recommendations have been actioned. Annually additional work is undertaken to test the internal control framework – this year's report looked at the processes and controls around Payroll. Further similar work is planned.

### **Nurseries Financial Statements:**

The nurseries have made a £72,000 loss. £58,000 of the loss is not operational, it is a write-off of historic unpaid invoices that we have been unable to recover; this is the last of the legacy adjustments.

MP commented that the loss is substantial and asked what controls are in place to avoid such losses in the future.

NB confirmed that the personnel, systems, controls and processes are now all in place to avoid reoccurrence. Furthermore, since 2018/19 all major decisions regarding the Nurseries come to the BEST Board of Trustees who monitors the accounts closely to ensure such incidents are not repeated

### **B.E.S.T (Charity) Financial Statements:**

The accounts show a small loss;

The longer term issues are the £110,000 loan into the Nurseries subsidiary and secondly how to improve income generation as expenses (such as depreciation) are likely to remain constant; CS is currently reviewing the possibility of expanding the Shefford based nursery into the BEST House conference room to generate more income.

## **BEST Consolidated Financial Statements:**

Despite lower profits the financial position of the Trust has improved with the available general and restricted reserves increasing from £2.0m to £2.3m.

Following guidance from the auditors the accounts include a statement relating to BREXIT.

The other key item is the “Actuarial loss on defined benefit schemes” of £1.594 million which reflects the impact of changing the discount rate assumption from 2.80% to 1.85%

IM raised several queries prior to the meeting regarding the accounts<sup>1</sup>. NB provided a written response to the queries raised and shared the document with the AGM attendees – Details written verbatim below:

**1. In the BEST charity account there is a significant reduction in Management Costs year on year (£78,097 cf £116,643 last year). How has this been achieved?**

The £116,643 includes £10k spend on air conditioning units and £29k on nursery play equipment. Also their cleaning contractor costs were very high so they brought their cleaning in house saving £6k this year, (£8k/annum).

**2. We should note that Nurseries have made a loss this year (£72k cf a profit of £60K last year). Is this being addressed?**

Within the loss of £72k there is a debtor write off of £58k left over from before we took on the nurseries. In addition £22k was spent on car park resurfacing, hand rail protection, roof edge protection and play equipment. These are all one off events.

**3. There is a negative figure of £759k for Donations and Capital Grants. What is this and how can it be negative?**

The £759k is Lawnside’s pension liability and is part of their donated assets they brought into the trust. As a liability it has to be shown as negative restricted income.

**4. In Note 8 Premises Costs have gone down by over £1m (£1,710k cf £2,769k last year). How come?**

Both the Premises costs and the other support costs were incorrect in the draft due to incorrect mapping – the total of both together doesn’t change but the split should have been different. The final version contains the correct figures as shown below. The increase in the premises costs from last year is due to expenditure on Gothic Mede’s refurbishment and more planned capital improvements across the trust than the previous year.

| <u>Note 8: Analysis of support costs</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
|  | <u>£000</u> | <u>£000</u> |
| Staff costs                              | 2891        | 2600        |
| Other support costs                      | 1288        | 1322        |
| Premises costs                           | 3596        | 2760        |
| Catering costs                           | 503         | 479         |
| Governance costs                         | 35          | 32          |
|  | <u>8313</u> | <u>7193</u> |

<sup>1</sup> I have been through the accounts and fully support their adoption. I have one or two questions/comments which I would like addressed, but none are material to the acceptance of the accounts.

### CEO Update

Etonbury have just received their first set of GCSE results following the expansion over recent years from a middle school to a large extended secondary school; the results were pleasing, with progress data KS2-4, placing ETA as the second highest performing school in CBC.

AL and IB have recently attended an annual MAT review at which the RSC acknowledged BEST's solid educational outcomes and strong financial position.

The BEST Teaching School (TS) has gained Appropriate Body status and is now able to assess NQTs; the educational provision and TS performance is strong and continuing to grow.

Extra-Curricular activities across the trust are truly impressive, with numerous county, regional and national awards/accolades being achieved.

### Amendments required to the Financial Statements

Within the consolidated accounts on page 1, the spelling of Susanne's surname is to be corrected

Within the consolidated accounts on page 1, the bracketed text next to Nick Martin is to be removed

Within the consolidated accounts on page 21, the total income needs to be corrected from £28,838 to £27,838

### Financial Accounts

All Trustees and Members present confirmed that BEST is not involved in any Fraud.

All Trustees and Members present confirmed that BEST is not involved in any litigation cases.

All Trustees and Members present confirmed that BEST is compliant with relevant laws and regulations.

All Trustees and Members present confirmed that BEST has no payroll issues.

The figures within the accounts have been finalised.

**Decision:** All Trustees and Members present voted to adopt/accept the accounts.

**Next Annual General meeting:** 7<sup>th</sup> December 2020

J. Bond  
24/1/20

