

## **BEST AGM Meeting**

12 December 2023, 11:00am – 12:00pm

BEST House, Conference Room

**Attendees:** Ilona Bond (IB), Peter Little (PL), Ian Morfett (IM) and Martin Petts (MP), Paul Walker (PW), Alan Lee (AL), Claire Mycock (CM), Tony Sanderson (TS) David Morgan (DM) and Jerry Tonge (JT), Craig Smith (CS), Alison Wilshaw (AW) and Kim Rowe (KR)

**Meeting Chair:** Ilona Bond

**Quorum:** All four members present – IB, PL, IM and MP

**Governance Professional:** Yvonne Humphryes

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

**Approval of previous minutes:**

- Members' meeting minutes 19/09/23 reviewed and approved for signing electronically.

## **Presentation of BEST Financial Accounts**

**Pre-read:** BEST end of year accounts for 2022/23 distributed for review prior to the meeting.

DM as Chair of the Finance and Audit Committee provided a summary of the accounts:

The BEST Finance and Audit Committee met with the auditors, Bishop Fleming (BF), on 14 November 2023 to review and discuss the end of year accounts relating to September 2022 to August 2023. Committee members reviewed and discussed the Key Issues for Discussion Document (KIDD) produced by BF.

The Accounts for all three entities are clean. The audit showed no evidence of fraud.

**Nurseries:** Revenue is good but it is difficult to maintain profitability owing to staffing/agency costs.

Bad debts within the nurseries is an ongoing concern (£16,000 written off 2022/23) – this audit point cannot be closed down by the auditors until the trust can evidence the process is working. Process improvements are in place.

**Charity:** There are no liabilities and revenue are up. However, BEST House receives a heavy annual depreciation charge of £50-£60,000 per year. The charity had a small end of year surplus.

The Charity will provide a letter of support for the nurseries in regard to the going concern.

**MAT:** In-year £1.8 million loss. Cash balances are £5.5 million. Projected loss for the year as at Period 2 is £1 million, against a forecast loss £862,000; staffing costs and retention is expensive.

The audit confirmed BEST compliance with Academies Trust Handbook, Charities Commission and Companies Act.

AL added:

The nurseries remain popular. Staffing is a challenge with the amount of knowledge needed versus pay. The nurseries are overseen by an early years' teacher.

The MAT is being financially challenged for the first time in eight years. However, this is in line with the sector as 49% of secondary schools nationally have budgeted an in-year deficit; CEO, CFO and Principals have a financial objective within their appraisals.

All BEST schools are Ofsted rated Good or better.

ETA sixth form opened in September without any external financial support, through prudent planning by both the trust and ETA.

Due Diligence process underway with Castle Newnham (CN), if successful pupil numbers will increase to approx. 7500; CN have no reserves and a budgeted deficit of £500,000.

Members stated the accounts are a snapshot based on context and provided the trust keep their head above water, the money needs to be spent on the children we serve and improving their life chances.

Despite the financial challenges seen at the nurseries Members are keen on BEST continuing to support them. The question was posed as to whether consideration could be given to writing off the debt (Charity loan to nursery).

A letter of support is being written, there will be no demands of payment from the Charity for the nurseries.

**Action:** Trustees and Executive to reflect on the suggestions made by Members in regard to nurseries.

A discussion took place regarding the Actuarial Gain fluctuations and the distraction it creates - views were shared as to whether this should be included within the accounts.

DM and KR were commended by Members on seeking additional commentary in regard to reserves within the accounts. **Action:** KR to share details of the revised commentary with IM.

**Decision:** Members unanimously agreed that they are happy with the 2022/23 end of year accounts and support the BEST Board of Trustees' decision to formally adopt the accounts.

### **Recommendation of Auditors**

BF have completed three audits and BEST now have the option to extend for one further year. Trustees, based on experience and KR's (as CFO) recommendation would like to use BF for one further year. Following which, a new tendering process will begin. In previous years BF's time keeping has been an issue, creating undue pressure to read accounts with minimal notice. However, time keeping has been much improved this time round. There are differences in views but the challenge is good.

**Decision:** Members approved appointing BF as BEST external auditors for one further year.

### **Personnel Changes**

MP has tendered his resignation as a Member of BEST with effect from 31 August 2024.

MP was thanked for his support over the past six years and wished all the best in his next endeavours.

Following completion of his second term of office, PW has agreed to remain a Trustee until December 2024. At which time, trustees will look to appoint a new trustee from an educational background.

**Decision:** Members agreed to pass a special resolution (as per article 15A of the BEST Articles of Association) for Paul to become a BEST Member with effect from January 2025.

CM has resigned from the BEST Board of Trustees with effect from 31 December 2023.

**Decision:** Trustees, in their capacity as members of the Bedfordshire East Schools Trust Board Members, supported and approved CM becoming a BEST Member with effect from 1 January 2024, in line with article 12 of the BEST Articles of Association. CM accepted.

CM was thanked for everything she has done in her capacity as a trustee.

Nafia Baust (NB) (former BEST CFO) has been appointed (co-opted) as a trustee to the BEST Board of Trustees with effect from 5 January 2024.

TS will become Chair of the Performance Committee in place of CM.

NB will become Chair of the Capital and Estates Committee in place of TS.

### **AOB**

IB thanked everyone present for their contributions during 2023 and wished everyone a wonderful festive break.

*J. Bowd*

Minutes approved and electronically signed 30 January 2024