



## Nexus MAT Board of Directors Extra Ordinary Meeting Wednesday 13 December 2023 5.00 pm – 7.00 pm via MS Teams

<b>Attendees:</b>		
Andrew Child MBE	Director/Member & Chair of Trust Board of Directors	Chair
Rachel Potts	Director/Member & Vice Chair of Trust Board of Directors	RP
Steve Booth	Director	SB
Mark Greenwood	Director	MG
Tina Havenhand	Director	TH
Naveen Judah	Director	NJ
Sue Shelley	Director	SS
<b>Also Present:</b>		
Rosey Andrassy	Adviser	RA
Victoria Morris	Adviser	VM
Warren Carratt	Chief Executive Officer	CEO
Karen Smith	Chief Finance Officer	KS
Renata Robins	Governance Clerk	Clerk
Mike Hall	Auditor – Forrester Boyd	MH
<b>Apologies:</b>		
Gillian Askew	Director	GA
Peter Castleton	Director	PC
Ray Palmer	Director	RPa
Jacky Tattershall	Assistant CEO – Quality Assurance and Improvement	JT
Joel Hardwick	Assistant CEO – Corporate Affairs	JH
<b>No apologies:</b>		
Colin Bradley	Director	CB

1. WELCOME & APOLOGIES FOR ABSENCE	ACTIONS
<p>1.1 Welcome &amp; receive apologies for absence</p> <p>Apologies were received for GA and PC.</p>	
<p>1.2 To accept apologies for absence</p> <p>Apologies were accepted for GA and PC. RPa will be arriving late.</p>	
2. ITEMS FOR AOB	
<p>Chair to determine any items of urgent business to be considered</p> <p>None.</p>	
3. DECLARATIONS OF INTERESTS	
<p>3.1. Individual Directors to declare any personal/business/governance interests on any agenda item</p> <p>NJ reminded Directors that he is a governor at another company who use Forrester-Boyd. Chair asked for this to be noted.</p>	
4. DRAFT ANNUAL ACCOUNTS – FORRESTER BOYD	
<p>MH outlined that the format of the report is the same as previous years. SB asked how MH wants to respond to typos, and MH asked Directors to pass these to KS, so they can be relayed ahead of next week’s sign-off meeting.</p> <p>MH walked through the management letter.</p> <p>MH explained this year’s audit is his second one for Nexus MAT. MH thanked KS and her team for their rapid responses to any queries. MH also confirmed that Forester-Boy (F-B) will work with KS and the team to ensure the accounts are filed on time, by the 31 January 2024 deadline.</p> <p>MH walked through the figures and explained that the Trust had a big increase in this period, compared to the last, given the high conversion balances transferred in with converter schools. There has also been an increase in pupils in receipt of Pupil Premium. The LGPS deficit has also increased as a consequence of growth. MH commended the Trust for securing a return on investment from Barclay’s for the Trust’s bank account.</p> <p>MH explained that overall spend on staffing reduced as a percentage of income last year, though this is likely due to the associated values of the converting schools. Reserves are strong, and there are no concerns about financial viability.</p> <p>NJ asked if there were any conversions in 2021-22, and CEO confirmed there were none. NJ asked if investment income (the interest on the bank account) is taxable, given Nexus MAT is a charity, and MH confirmed it was a non- taxable income as the income was being used to fulfil the charity’s objects.</p>	

RP asked about the 80% staffing costs, compared to ESFA guidance that MH cited earlier, and asked if there was any guidance for special schools. MH stated there wasn't. CEO reminded Directors that the recently-visited Schools Resource Management Advisor is looking specifically at this, and the report should be shared next week.

MH walked through the headlines of the balance sheet, and noted a typo in the tangible fixed assets section, which says "deceased" and should say "increased". MH will correct this.

MH explained the reasons for why the creditors' values are what they are, and that all creditors over 12 months old relate to Salix loans from Condition Improvement Fund (CIF) works.

MH explained why the pension liability is reported as nil this year, which is a consistent position with other MATs. MH explained the calculation for determining employer contributions is based on a different formula to the pension liability calculation.

MH confirmed that adjustments are minimal, with only the West Riding costs being reallocated to fall under Kenwood Academy, not Becton School.

SB asked about section 5, item B, and asked MH to confirm what the threshold for adjustment is. MH answered that he will pick this up in a later section of the management letter.

MH talked through the two recommendations in the management report. The first is a common issue in most MATs, and is not unusual when Trusts experience growth. The second relates to copies of receipts, though MH confirmed that all claims had been overseen and signed off by a manager.

MH needs to amend the report as it states two action points were brought forward from last year, and SB pointed out that it was only one. MH will correct this.

MH walked through the adjustments, and explained that the loan balance adjustment, whilst technically trivial, has been made in agreement with KS.

MH explained that a triviality level of £45k has been set by F-B, though any fraud would be reported regardless of the value.

AC queried overstated and deferred income and what this means: MH explained this is funding received as a lump sum for a longer period (e.g. paid in one month for the next 12), and is defined by the timing it arrives, as the charity commission SORP states that income must be recognised in the accounts when it is received.

KS stated that this was a bigger issue for Nexus MAT given the number of special schools and the way in which local authorities pay top up funding in advance.

SS referred to paragraph 3 on page 1 re: the citation of audit being undertaken on a sample basis and the suggestion that more detailed audit activity be undertaken for further assurance. SS asked MH what this would look like, in practice. MH responded

that this is where the internal audit programme is essential, and needs to be focused on the right areas. MH explained this is general wording used in these reports by F-B.

RP asked about page 16 re: accounting and internal control environment, and the fact there is reference to Nexus MAT having a small team. MH explained the rationale for this statement. CEO accepted this rationale, but asked if the reference to a "small" organisation needs to change, given the size of the Trust now, and given the number of personnel involved in accessing the purchase ledger has been reduced to reduce the risk of fraud. MH will consider these points before providing the final letter.

MH outlined the new detail in the academies accounts return, about good estates management, likely linked to the RAAC issue. There is more info required for boards who meet less than 6 times per year, and also more information on the use of lease car schemes and related party transactions.

MH thanked Directors for their questions. This concluded MH's presentation of the accounts.

Chair asked if there were any more questions, and none were raised.

#### **5. ANY OTHER URGENT BUSINESS**

None.

#### **6. CONFIDENTIALITY**

To consider the confidentiality of any items discussed during the meeting

None raised.

#### **7. DATES OF FUTURE MEETINGS**

Wednesday 20 December 2023	17:00 – 19:30	<b>Nex/us HQ</b>
<b>Monday 15 January 2024 – AGM</b>	<b>17:30 – 19:00</b>	<b>Nexus HQ/Teams</b>
Wednesday 31 January 2024	17:00 – 19:30	<b>Teams</b>
Wednesday 28 February 2024	17:00 – 19:30	<b>Nexus HQ</b>
Wednesday 27 Marcy 2024	17:00 – 19:30	<b>Teams</b>
Wednesday 24 April 2024	17:00 – 19:30	<b>Nexus HQ</b>
Wednesday 22 May 2024	17:00 – 19:30	<b>Teams</b>
Wednesday 26 June 2024	17:00 – 19:30	<b>Nexus HQ</b>
Wednesday 17 July 2024	17:00 – 19:30	<b>Teams</b>

**Minutes approved.**

<b>CHAIR</b>	<b>SIGNATURE</b>	<b>DATE</b>