

Stanwix School – Full Trustees meeting with Mike Kirsopp of Dodd & Co to present the financial statements and audit report for the year ended 31 August 2024
18 December 2024 5.30pm on Teams

Present: Jen Barry, Catherine Briggs, Elizabeth Mallinson (Chair), Michael Johnson, Tom Little, Jon McGuckin, Paul Nedved, Karen Robertson and Michael Routledge
Also present: Mike Kirsopp from Dodds (Guest)

	Item	Action
1	Welcome / Apologies	CB welcomed Mike Kirsopp from Dodd & Co who was here to present the financial statements and audit report for the year ended 31 August 2024.
2	Financial statements and audit report for the year ended 31 August 2024	The financial statements and audit report for the year ended 31 August 2024 was circulated in advance of the meeting. Mike Kirsopp talked through the financial statements and highlighted the following key figures: Statement of Financial Activities: Income: £2.258m, an increase of £37,000 compared to the prior year. The General Annual Grant (GAG) remained consistent with the prior year at £1.741m (2023: £1.749m). Other movements: ○ Supplementary Grant £nil (2023: £46,000) and Mainstream Schools Additional Grant (MSAG) £55,000 (2023: £23,000) ○ Pupil Premium increased by £10,000 to £54,000 (2023: £44,000) ○ Capital grants decreased to £9,000 (2023: £27,000) due to one off funding of £18,000 in the prior year. Expenditure: £2.278m, an increase of £102,000. This produced net expenditure for the year of (£120,000). After the actuarial gain on the Local Government Pension Scheme (LGPS), the net movement in funds was a reduction of (£91,000) producing carried forward reserves of £2.183m of which £2.032m are restricted and £151,000 unrestricted. Balance sheet: Mike talked through the balance sheet. The cash and bank balance had decreased to £186,000 from £339,000 at the prior year end. This is in part due to the net expenditure for the year but also the prior year bank balance was inflated due to the higher level of trade creditor balances compared to this year end which are £44,000 compared to £81,000 at 31 August 2023. There is no defined benefit pension liability this year for the Local Government Pension Scheme as there is a surplus of £7,000 although we don't recognise the surplus in the accounts. Unrestricted funds have fallen to £151,000 from £206,000 at the prior year end. The only adjustment made to the draft accounts submitted by Alison Evans was a (£3,000) rounding adjustment on the income statement.

Mike talked through the deficit reconciliation circulated in advance of the meeting. Whilst the financial statements show a (£120,000) deficit (before actuarial gains), the operating deficit for the year was (£114,000). The difference between the two is made up of:

Deficit for the year per the financial statements (£120,000) 2023: (£55,000)

- Less: capital grant income (£9,000) 2023: (£27,000)
- Add back: depreciation £49,000 2023: £55,000
- Add back: LGPS adjustment – service costs (£38,000) 2023: (£20,000)
- Add back: LGPS adjustment – interest £4,000 2023: £20,000

Operating deficit for the year was (£114,000).

Mike also showed the key movements between the (£27,000) operating deficit for the year ended 31 August 2023 and (£114,000) for the year ended 31 August 2024:

- Decrease in donation income (£1,000)
- Increase in funding for educational operations £46,000
- Increase in other trading income £10,000
- Increase in direct costs (£114,000)
- Increase in allocated support costs (£28,000)

Trustees discussed the above and the challenges in the year.

Mike then talked through the Audit Management Letter which is also submitted to the ESFA. He was pleased to report that they had issued a clean audit report. He explained that there were two elements to the audit opinion: the audit opinion and a second regulatory opinion that the academy had spent its funding within the rules.

Mike noted that the school had still not managed to achieve the required separation of Trustees and Members and that all three Members were also Trustees. This was discussed. The Trust had been trying to rectify this via recruitment of additional volunteers. Whilst this had produced some success, the numbers had not been sufficient to achieve the required separation. However, efforts would continue as it was acknowledged that the Trust must address this.

Going concern: the financial statements were prepared on a going concern basis i.e. that the school can continue to meet its liabilities for the next 12 months. Discussions were had about the financial challenges around pupil numbers and actions to ensure the school could deliver its three year budget. It was a key area of focus for the senior leadership and trustees.

Mike flagged the key changes in this year's Academy Trust Handbook.

		CB thanked Mike on behalf of the Trustees and asked that he pass on their thanks to Luke and the rest of the Dodd & Co team.	
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