

**LUMINATE EDUCATION GROUP
LEEDS CITY COLLEGE CORPORATION**

**MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
HELD ON TUESDAY 26 JANUARY 2021**

Present

Jenny Hoy	Governor
Shaid Mahmood (Chair)	Governor
Ken Morton (Vice Chair)	Governor
Helena Phillips	Governor
Jane Pither	Governor
Richard Shaw	Governor
John Toon	Governor
Ian Watling	Governor
David Yates (Vice Chair)	Governor

The quorum for the meeting was seven board members

In Attendance

Lydia Devenny	Deputy CEO Services
Melanie Halstead	Director of Governance
Bill Jones	Deputy CEO & Principal, Leeds City College (LCC)
Ann-Marie Spry	Group Vice Principal (Adults)
David Warren	Group Vice Principal (Development)
Andrew Whitaker	Deputy CEO Teaching & Learning and CEO, White Rose Academies Trust (WRAT)
Joe Wilson	Interim Principal, Leeds Conservatoire

The meeting took place via Google Meet and started at 10am

MEETING ADMINISTRATION

1. Welcome and any Apologies for Absence

Jenny Hoy was welcomed to her first meeting. Apologies for absence were received from Colin Booth (Group CEO), Inder Hunjan (Governor), Jenef Ngombo (Student Governor) and Gemma Simmons-Blench (Deputy CEO Curriculum & Quality).

2. Determination of Observers/Attendees at the Meeting

The board agreed attendees/observers at the meeting as per the above attendance list.

3. Declaration of Interests in any Agenda Items

Governors were reminded of the requirement to declare their interest in any agenda items. Standing declarations as per the register of board members' interests were noted.

FINANCIAL STATEMENTS AND REGULARITY AUDIT FOR THE YEAR ENDING 31 JULY 2020

4. Audit Committee Annual Report to the Board and Accounting Officer

The Chair of the Audit Committee presented the committee's annual report to the board and accounting officer for the year ending 31 July 2020. The report confirmed the committee's overall opinion that the organisation has adequate and effective assurance

arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets.

RESOLVED:

To receive and note the Audit Committee's annual report for the year ending 31 July 2020.

5. Going Concern

The board discussed the approach to the assessment of the group as a going concern for the financial years 2020/21 and 2021/22.

Governors were already aware that the Quarry Hill project and the delay in completing the sale of the Horsforth site had put considerable additional pressure on working capital as the LEP grant which part funded the project had been exhausted, with the balance being funded through capital receipts, cash generation and loans. Whilst the risk relating to the timing of the sale of Horsforth remained, this had been mitigated following the approval in principle of the planning permission for the site and Santander agreeing to cover the associated bridging loan for a period of up to two years. The board also discussed the commitment to purchase a site at Mabgate in December 2021 and the additional financing or capital grants required to enable this purchase to proceed.

The Audit Committee had carefully reviewed the group's assumptions relating to the impact of Covid-19 and, following discussion with KPMG and management, was satisfied that these assumptions and their effect on the group's underlying financial performance had been robustly stress tested as part of the detailed financial planning process.

KPMG had reported that their audit opinion, whilst unqualified, would refer to material uncertainties to reflect the current risks. Board members were aware of the circumstances leading to the uncertainties. KPMG had confirmed to the Audit Committee that they remained satisfied that student numbers support strong operating cash flows.

Having considered the cash flow projections, the plans for growth, and the support from Santander and WYCA, the Audit Committee was satisfied that the preparation of accounts on a going concern basis was appropriate.

Governors noted that, as in previous years, Leeds Conservatoire would be seeking a letter of support from the group to support their going concern position for the financial year ending 31 July 2020.

RESOLVED:

To approve the preparation of the financial statements for the year ending 31 July 2020 on a going concern basis, as recommended by the Audit Committee.

6. Year End Audit Report

Following their audit work KPMG anticipated issuing clean audit opinions on the financial statements and regularity for the year ending 31 July 2020. KPMG had briefed the Audit Committee on how they had assessed whether they could continue to test and place reliance on some IT controls following the cyber-attack; no issues had been identified in relation to the 2019/20 audit.

Governors discussed the recommendations identified by the auditors and in particular the four categorised as medium priority. These related to (a) removal of system user access rights (b) financial sustainability of Leeds Conservatoire (c) timely implementation of actions following the cyber-attack and (d) a pensions management review. It was confirmed that the Audit Committee had been satisfied with the responses provided by management to each of the recommendations raised during the audit. With regard to Leeds Conservatoire,

KPMG had acknowledged the improved performance with the implementation of the conservatoire's growth plans putting it on a path to sustainability.

RESOLVED:

To receive and note KPMG's year end audit report for the year ending 31 July 2020.

7. Annual Report and Financial Statements

The board reviewed the report and financial statements for the year ending 31 July 2020, including the operating and financial review, statement of corporate governance and internal control, statement of regularity, propriety and compliance and the statement of responsibilities of the members of the Corporation.

It was noted that following its review of an earlier draft, the Audit Committee had suggested a number of amendments and these had been incorporated into the final draft now presented for board approval.

The Deputy CEO Services highlighted a post balance sheet event relating to the Corporation's change of name to Luminare Education Group with effect from 1 February 2021.

Board members were satisfied that the narrative of the financial statements represented a fair and balanced view.

RESOLVED:

To approve the annual report and financial statements for the year ending 31 July 2020, as recommended by the Audit Committee, and that these be signed by the Chair on behalf of the Board.

8. Letter of Representation to External Auditors

Members reviewed and agreed the content of the draft letter of representation for the year ending 31 July 2020.

RESOLVED:

That the representation letter to KPMG for the year ending 31 July 2020 be approved for signature by the Chair on behalf of the Board.

The meeting closed at 10.25am

Signed: (Chair)

Date: