

**MEETING OF THE BOARD OF TRUSTEES  
9<sup>TH</sup> JANUARY 2020**

**REDACTED MINUTES FOR PUBLICATION**

A meeting of the Board was held at UCEM, Horizons, 60 Queen's Road, Reading, RG1 4BS and remotely via Zoom Videoconference from 11.30am – 12noon on Thursday 9<sup>th</sup> January 2020.

|                        |                          |                      |
|------------------------|--------------------------|----------------------|
| Present:               | Ms J Brainch (JB)        | (Honorary Treasurer) |
|                        | Ms A Clack (AC)          | (Chair Designate)    |
|                        | Mr J Gellatly (JG)       | (Chairman)           |
|                        | Mr A Hynard (AH)         |                      |
|                        | Mr A Martin (AM)         |                      |
|                        | Prof K Miller (KM)       |                      |
|                        | Ms P Farrell (PF)        | (Student Trustee)    |
|                        | Mr C Turley (CT)         |                      |
|                        | Ms M Von Tunzelman (MvT) |                      |
|                        | Mr A Wheaton (AW)        | (Principal)          |
| In attendance:         | Mrs J E Fawkes (JEF)     | (UCEM Secretary)     |
|                        | Mrs L Hughes (LH)        | (Note taker)         |
|                        | Mr Tim Mills (TM)        | (Finance Director)   |
| Apologies for absence: | Mr C Costigan (CC)       |                      |
|                        | Mrs H Edwards (HE)       | (Staff Trustee)      |
|                        | Dr S Jackson             | (Vice Chair)         |

**1) GENERAL BOARD GOVERNANCE**

**10434      1.1) DECLARATION OF ANY CONFLICTS OF INTEREST**

10435      There were no conflicts of interest reported.

**10436      1.2) APOLOGIES FOR ABSENCE**

10437      There were apologies for absence from Chris Costigan, Helen Edwards and Stephen Jackson.

**2) APPROVAL OF THE FINANCIAL STATEMENTS AND ACCOUNTS  
FOR 2019-19**

**10438      2.1) REMINDER OF THE MEETING PURPOSE**

10439 The Board was reminded of the compressed timescales for financial reporting for the 2018-19 year as a result of registration with the Office for Students. Final signed audited accounts must be submitted to OfS by noon on 10<sup>th</sup> January 2020.

**10440 2.2) TO RECEIVE THE AUDIT FINDINGS REPORT**

10441 The Board was informed that the Joint Audit and Finance Committees held on 8<sup>th</sup> January 2020 had received the Audit Findings Report (paper 2.2) from Sayer Vincent, the UCEM Auditors, and a full verbal update on the audit process and findings. It was **NOTED** that there were no substantive matters to raise to the Board, but a summary of the key points for the Board to note was provided.

10442 The Board was informed that CSTT now has to be included in the UCEM group of accounts as a subsidiary as UCEM is now deemed to have control due to having three out of five (60%) of Trustees on the CSTT Board. The full audit work on the CSTT accounts has yet to be completed by a separate auditor (REDACTED) but Sayer Vincent has confirmed that the materiality of the accounts to UCEM is acceptable and that the group accounts can therefore still be signed off and submitted to the Office for Students. The Board also **NOTED** that the fees charged by Sayer Vincent would be higher due to the increased workload and challenges of meeting the OfS regulatory requirements in the financial statements (which had not been anticipated until the 2019-20 accounts and was the reason Sayer Vincent were stepping down as UCEM auditors).

10443 The Board **NOTED** the update provided in the accounts on the USS liabilities. Legal advice was sought and the UCEM eligibility criteria submitted to the USS who subsequently confirmed their satisfaction with how UCEM operates the scheme. UCEM will now undertake a consultation with those staff now eligible to enter the scheme this year. UCEM is carrying an increased USS liability compared to previous years as the scheme is in significant debt and UCEM is required to carry its proportion of this debt on the balance sheet.

10444 The Board also **NOTED** that the Transform project work had not been capitalised in the statements.

10445 The Board **NOTED** that UCEM is carrying long term apprenticeship debt in current assets as a result of the final payment being held back until the end point assessment is completed. The sum on the balance sheet currently is relatively small but the Board is aware this will increase significantly and an assessment on the presentation in the accounts will need to be made.

10446 The Board **NOTED** that UCEM Publishing has now been dormant long enough to allow its closure so this will take place in February/March 2020.

**10447 2.3) TO RECEIVE THE UCEM GROUP OF COMPANIES ANNUAL REPORT AND FINANCIAL STATEMENTS FOR 2018-19**

10448 The Board was presented with the Financial Statements and Annual Repots for 2018-19 for UCEM, UCEM Courses Ltd, UCEM Publishing Ltd, UCEM Asia Ltd and Building People Ltd, as pre-approved by the joint Audit and Finance Committees on 8<sup>th</sup> January 2020 (included at papers 2.3a-2.3e).

- 10449 The Board **NOTED** that the Audit and Finance Committees had considered and pre-approved the UCEM Financial Statements and Accounts on 8<sup>th</sup> January 2020, however, TM provided a summary of the key points of note within the financial statements for the benefit of the full Board. This included:
- 10450 There was a 3.5% increase in income on the previous year, though costs also increased and there was significant business continuity planning spend.
- 10451 A budget target of £1.2M deficit for the year was achieved, largely through enhanced cost controls.
- 10452 There was £250K of costs in year for unbudgeted redundancies.
- 10453 There was a £360K increase in the USS pension provision due to the increased share of the scheme's significant debt.
- 10454 CSTT moved from an Associate to a Subsidiary of the UCEM group, thereby adding £300K of income.
- 10455 UCEM anticipated breakeven in 2020-21 with the help of the Transform and 58 Queen's Road projects.
- 10456 Out of a total £1.6M loss, £900K related to additional project work, £265K to internal restructuring, and £127K to net loss on investment value. This amounts to £1.25M additional expenditure on the P&L. In total UCEM only overspent by £350K on business as usual.
- 10457 Note 5 was updated to its final form following the Audit/Finance Committees meeting on 8<sup>th</sup> January 2020, and now includes a justification statement on the head of provider's remuneration.
- 10458 The Board **NOTED** that the Board of Directors for Building People Ltd had met and approved its Annual Report and Financial Statements for 2018-19 on Wednesday 8<sup>th</sup> January 2020.
- 10459 The Board **NOTED** that the Board of Directors for UCEM Courses Ltd had met and approved its Annual Report and Financial Statements for 2018-19 on Thursday 9<sup>th</sup> January 2020.
- 10460 The Board **NOTED** that the Board of Directors for UCEM Publishing Ltd had met and approved its Annual Report and Financial Statements for 2018-19 on Thursday 9<sup>th</sup> January 2020.
- 10461 The Board **NOTED** that the Board of Directors for UCEM Asia Ltd had met and approved its Annual Report and Financial Statements for 2018-19 on Thursday 9<sup>th</sup> January 2020.
- 10462 The Board **APPROVED** the Audit Findings Report and the Financial Statements and Accounts for the group of UCEM companies including UCEM, UCEM Courses Ltd, UCEM Publishing Ltd, UCEM Asia Ltd and Building People Ltd for 2018-19.

**10463**      **2.4) TO RECEIVE THE UCEM GROUP OF COMPANIES LETTERS OF REPRESENTATION**

10464      The Board received the Letters of Representations for UCEM, UCEM Courses Ltd, UCEM Publishing Ltd and Building People Ltd for approval (included at papers 2.4a-2.4d).

10465      The Board **APPROVED** the Letters of Representation as presented for UCEM, UCEM Courses Ltd, UCEM Publishing Ltd and Building People Ltd.

**10466**      **2.5) TO SIGN THE UCEM GROUP OF COMPANIES ANNUAL REPORTS, BALANCE SHEETS AND LETTERS OF REPRESENTATION**

10467      Following approval of the Annual Reports and Financial Statements and the Letters of Representation of each UCEM company the Chair signed (via e-signature) signed all necessary paperwork.

**10468**      **2.6) ANY OTHER BUSINESS**

10469      There were no other matters of business raised.

The next Board Meeting will be held on **Thursday 26<sup>th</sup> March 2020** from **1pm-4pm** in **London at Taylor Wessing**.

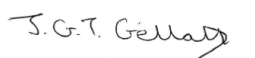
**Meetings before 26<sup>th</sup> March 2020:**

22<sup>nd</sup> January – Nominations and Governance Committee

26<sup>th</sup> February – Academic Review Committee

27<sup>th</sup> February – Joint Audit and Finance Committee day

Signed:



Name:

John Gellatly

Date:

26<sup>th</sup> March 2020