

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	W Finn (appointed 4 December 2019) K Wilcocks S Pratley S Borthwick
<b>Directors</b>	A Smith Bishop R Firth (resigned 4 December 2019) W Finn, Chair A Soper (resigned 12 September 2019) A Teale M Simmons S Robertson (resigned 14 February 2020) K Askew P Banford C Watson L Stevenson R Pizii K Skerrett
<b>Company registered number</b>	08762217
<b>Company name</b>	Diocese of Hereford Multi Academy Trust
<b>Principal and registered office</b>	Unit 11 The Business Quarter Sheet Road Ludlow SY8 1FD
<b>Accounting Officer</b>	A Teale
<b>Senior management team</b>	A Teale, Chief Executive Officer D Lewis, Chief Finance Officer P Poulton, Senior Education Officer
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Academies in the Trust** Bishop's Castle Primary School  
Bitterley Church of England Primary School  
Burford Church of England Primary School  
Burley Gate Church of England Primary School  
Condover Church of England Primary School  
Ludlow Church of England School  
Ludlow Primary School  
Morville Church of England Primary School  
St Edward's Church of England Primary School  
St George's Church of England Academy Clun  
St Michael's Church of England Primary School  
St Thomas Cantilupe Church of England Academy  
Tenbury Church of England Primary School  
The Hereford Academy  
Eastnor Parochial Primary School

## **DIOCESE OF HEREFORD MULTI ACADEMY TRUST (A COMPANY LIMITED BY GUARANTEE)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

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The Directors present the annual report together with the financial statements and auditor's report of the Charitable Company for the year end 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors report under company law.

The Trust operates 13 primary and 2 secondary academies in The Diocese of Hereford. These academies have a combined pupil capacity of 4,001 and had on roll of 3,018, including nursery, in the school census on 1 October 2019.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Diocese of Hereford Multi Academy Trust (DHMAT) was incorporated on 5 November 2013, as a company limited by guarantee and an exempt charity. On the 23 July 2019, the Members agreed to formally changed its name to Diocese of Hereford Multi Academy Trust (DHMAT). The Charitable Company's Memorandum and Articles of Association are the primary governing documents of DHMAT.

The Directors of the Diocese of Hereford Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Diocese of Hereford Multi Academy Trust.

Details of the Directors who served throughout the year, and to the date these accounts are approved, are included in the Reference and administrative Details on page 1.

#### **Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### **Directors' Indemnities**

Directors benefit from indemnity insurance purchased at DHMAT's expense to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of CHMAT. The limit of this indemnity is £500,000.

#### **Method of Recruitment and Appointment or Election of Directors**

DHMAT runs a number of academies including Church of England and Community academies. To ensure that the vision and ethos of the Church of England is upheld in the Church of England is upheld in the Church academies. The Diocese Board of Education appoint the DHMAT members; these Members represent the Church of England and at least 50% of all Directors will be appointed by the Church of England. This reflected in DHMAT's Articles of Association.

Potential new Directors are identified through a number of sources including the Diocese of Herford and the Regional School's Commissioner Academy Ambassadors programme. When appointing new Directors, the Board will give consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to DHMAT's development. Following an interview with Chairman of the Board and Chief Executive Officer, their names are proposed to DHMAT's Members for approval.

The Directors of DHMAT can co-opt additional Directors on to the board for a maximum period of one year.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Board as of 31 August 2020 consist of:

W Finn	Co-Opted Non-Executive Director - Chairman
A Smith	Non-Executive Director
A Teale	Chief Executive Officer
M Simmons	Co-Opted Non-Executive Director
K Askew	Co-Opted Non-Executive Director
P Banford	Co-Opted Non-Executive Director
C Watson	Co-Opted Non-Executive Director
L Stevenson	Co-Opted Non-Executive Director
R Pizii	Co-Opted Non-Executive Director
K Skerrett	Co-Opted Non-Executive Director

Directors are appointed for a four-year period (apart from the CEO who serves for the duration of their appointment). Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed.

**Policies and Procedures Adopted for the Induction and Training of Directors**

The training and induction provided for new Directors will depend upon their existing experience but would always include an offer to visit DHMAT's academies and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Directors' away day organised each year which includes training sessions to keep the Directors updated on relevant development impacting on their roles and responsibilities.

Subsidiary Companies

DHMAT was catering services and provide income from lettings within The Hereford Academy. On 29 July 2020 an application to strike off Herecad was put forward. However, on the 13 October 2020 the application has been suspended and the board are currently investigating the matter.

**Organisational Structure**

The structure consists of the following levels: DHMAT Members (appointed by the Diocesan Board of Education (DBE) and made up of the Diocesan Director of Education (DDE), the Chair and two others), the DHMAT Board, the Chief Executive Officer (CEO) and individual Academy Local Academy Board (LABs). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all level whilst maintaining accountability. The DHMAT Board ensure compliance with charity and company law requirements and has two core functions: to set the strategic direction of the organisation and ensure the financial probity of DHMAT.

There were two committees in operation for the financial year as follow:

Finance and Resources Committee – this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with report and regulatory requirements and reporting, receiving reports from the Responsible Officer/Internal Auditor considering senior officer salaries and drafting the annual budget including setting staff levels. It also cover the role of an Audit Committee which includes monitoring, spending, risk register and annual accounts.

Standards Committee – this committee forms part of the main board meeting so all Directors attend. The committee is responsible for evaluate and review Trust wide policy, practice, and performance in relation to curriculum planning, communications, target setting and assessment, examinations, and all pastoral issues.

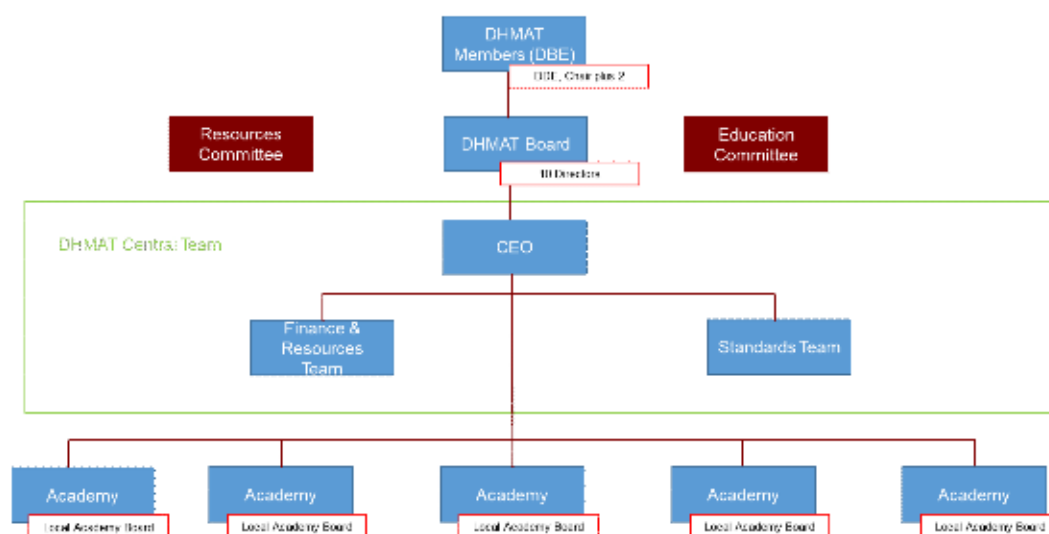
The following decisions are reserved to the Board of Directors: to consider any proposals for change to the status or constitution of DHMAT and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Directors, to approve the Annual Development Plan and budget.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

The Directors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring DHMAT by the use of budgets and other data and making major decisions about the direction of DHMAT, capital expenditure and staff appointment.

During the last financial year to 31 August 2020 the central team has been restructured to include a Chief Finance Officer (CFO) and one Senior Educational Officers. The CFO now manages the finance team, payroll, and academy conversions. The Operations Manager reporting to the Senior Educational Officer. The Senior Educational Officer are the academy improvement partner.



The Directors control the academies at an executive level, whilst the Senior Leadership Team (SLT) in each academy (Executive Headteachers, Headteachers, and Deputies) implement the policies laid down by the Directors and report back to them on performance. The SLT are responsible in line with DHMAT Schemes of Delegation (SoDAs), for the authorisation of spending within agreed budgets and the appointment of the majority of staff.

A Local Academy Board (LAB) has been created for each academy on conversion to undertake the day-to-day running of their individual academies in line with their respective SoDAs. In principle, these bodies should consist of no fewer than five and not more than eleven governors made up of:

A minimum proportion of Foundation governors appointed by the DHMAT Board – 25% for voluntary controlled designated, and 50% for voluntary aided designated schools; A minimum of two Foundation governors appointed by and representing the DHMAT Board for community schools; The Headteacher (ex-officio); One elected member of staff; and Two appointed parent governors.

Provided that there is a majority of DHMAT appointed Foundation governors, the LABs may appoint co-opted governors on an annual basis to provide specific skills, which the LGB needs at the time of appointment. LGB governors are appointed on a four-year basis with the exception of those appointed as ex-officio. The Chief Executive Officer is the Accounting Officer.

**Arrangement for Setting Pay and Remuneration of Key Management Personnel**

The directors consider the Board of Directors and the Central leadership team comprise the key management personnel of BAET in charge of directing, controlling, running, and operating DHMAT on a day to day basis. All Directors give their time freely and no Director received remuneration in the year to perform their role as Director.

Details of Directors' expenses and related party transactions are disclosed in the notes of the accounts.

The Directors benchmark staff pay against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Trade Union Facilities Time**

**Relevant Union Officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	5

**Percentage of time spend on facility time**

Percentage of time	Number of employees
0%	5
1-50%	0
51-99%	0
100%	0

**Percentage of pay bill spent on facilities time**

Total cost of facility time	£2,338
Total Pay bill	£14,084,867
Percentage of total pay bill spend on facility time	0.02%

**Paid Trade union activities**

Time spend on paid trade union activities as a percentage of total paid facility time hours	0%
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**Connected Organisations, including Related Party Relationships**

There are no related parties that either control or significantly influence the decisions, strategy, and operations of DHMAT or its academies. There are no sponsors or formal Parent Teacher Associations associated with DHMAT.

DHMAT, although a sponsor in its own right, maintains a close relationship with the Diocese of Hereford, specifically the Education Team, and ensures that all transactions are carried out in compliance with the related party transaction regulations, and at costs.

**Engagement with employees (including disabled persons)**

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Having staff representative on Local Academy Boards
- Weekly Head briefings
- Half termly Head meetings

**Engagement with suppliers, customers, and others in a business relationship with the Trust**

The Trust personal engages with its key suppliers such as the HR provider, finance software partners, and catering companies on a regular basis during the year to ensure the service meets the needs of the Trust.

There have been no tenders in the financial year.

Following the closure of schools due to COVID 19 the trust worked adopted the PPN 02/20 guidance. The Trust worked closely with the school catering providers and supply staff to ensure that they could continue to operate throughout lockdown period.

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**DIRECTORS' REPORT (CONTINUED)  
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**OBJECTIVES AND ACTIVITIES**

**MISSION AND ETHOS**

The Church of England has been involved in education in this country for hundreds of years. Our schools are not faith schools. They are highly inclusive places and aim to provide a vibrant education, not just to Christian families, but for everyone from all faith backgrounds, including those of no faith. Jesus excluded no-one from his ministry and focused on the most vulnerable in society. Ours is an education for everyone. 'EDUCATING FOR LIFE IN ALL ITS FULLNESS' is the goal of the Church of England's 'Deeply Christian, Serving the Common Good' vision for Education and is central to the vision for our diocese and our trust.

At the heart of this shared vision is the search for a wisdom that rings true both with the Bible and Christian understanding and with experienced educational practice in the twenty-first century.

Support for **school leaders** is all-too-often lacking in our education system and in our diocese. We work to provide additional and bespoke support and sustenance to our school leaders, especially our headteachers. We cherish our school leaders because we know that high-performing headteachers and school leaders build and sustain high-performing schools which in-turn enable our children to flourish.

We work in partnership with the Church of England's Foundation for Educational Leadership and together we aim to: "inspire a set of leadership practices that both exemplify Wisdom, Knowledge & Skills, Hope & Aspiration, Community & Living Well Together, and Dignity & Respect, and that also go to the heart of educational purpose: **Called** – inspiring the vocation of the education leader; **Connected** – enabling the flourishing of children, adults, teams and communities; **Committed** – sustaining long-term engagement in realising this vision for education." Called Connected Committed CEFEL 2020

**A Light in the Hereford Diocese: Grace, Service & Family**

In the field of education within our rural region, the Diocese of Hereford Multi-Academy Trust has a vocational mission of Grace and Service, which helps to support our families through education.

**A Light of Grace - The Loving Father**

Jesus told a parable about a family. A parent's love for his youngest son, knew no limits. Though he had every reason to show anger, disappointment, frustration, and despair, he instead welcomed him home with open arms and showed the limitless power of love. The richness of this parable contains many lessons used to guide the mission of our group of schools.

We are fully committed to ensuring, through God's grace, that the education provided by our academies, equips every child and young person in our care with the necessary wisdom, knowledge and skills they need, to open up horizons of hope and aspiration in their young lives. We try to see each single person through God's eyes.

**A Light of Service - The Good Shepherd**

Jesus offers a new vision of what we are invited into. His promise of life in all its fullness is given when he describes himself as the good shepherd who calls his sheep by name, loves them to the point of laying down his life for them, and opens up a vision of an ever-wider, united community (John 10:1-18). A school where the things that go wrong are faced in that spirit can nurture in children a lifetime of perseverance in hope.

Called Connected Committed - CofEFEL 2020

Saint Thomas Cantilupe, Hereford's own Saint, became the Bishop of Hereford in 1275. Known as the father of modern charity, his story of service and sacrifice has inspired many to undertake pilgrimage to his shrine in Hereford Cathedral. Like St Thomas, ours is a mission of service. We exist to serve the children and families of our diocese by providing an enlightening and inspiring education. We are here to develop qualities of character that enable children to flourish together, respecting human dignity and with appreciation of the ultimate worth of each person.

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**A Light for Family**

"The Diocese of Hereford has seldom held and is never likely to hold, a very conspicuous place among the dioceses of the Church of England, but it has claim to represent that unobtrusive phase of life which is expressed to us in the notion of family."

A Diocesan History – 1888 By Henry Wright Phillott - Extract from Saints and Sinners of the Marches by Michael Tavinor

Our Diocese and our trust continues to recognise the importance of family at the very heart of things, especially for our children. We maintain a climate where families can flourish together. We also try to work together as a family of academies, different in countless ways, yet bound together by a common purpose to give the children of our diocese, the best start in life, we possibly can.

We are here to develop qualities of character that enable children to flourish together, respecting human dignity and with appreciation of the ultimate worth of each person. Ours is an education which builds bridges and which enables all our children to live a life in all its fullness.

**Aims**

The principal objective and activity of DHMAT is to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious educations and daily acts of worships, and having regard to any advice issued by the Diocesan Board of Education; and Other Academies whether with or without a designated religious character, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

The purpose of DHMAT is to develop and maintain good and outstanding academies across the Diocese of Hereford, whether they be Church of England academies or community schools. We will act as a vehicle for sharing the best practice across leadership, Governance, teaching and learning and business support.

DHMAT will act as lead sponsor for any Church School within the Diocese who wishes to become an academy or Church schools which are being directed to become sponsored academies by the Department of Education (DfE). DHMAT may also act as lead sponsor for any community school within the Diocese who wishes to become an academy.

DHMAT's mission is to establish and manage a family of academies, where inclusive values and academic excellence enables studies to learn within an environment of respect for themselves and others.

The aims of DHMAT during the year ended 31 August 2020 are summarised below:

- To ensure that our academies are centres of excellence with a focus on the nurture and achievement of all their members
- To foster, maintain and celebrate the Christian distinctiveness of our Church Schools as places for those of faith or no faith
- To promote mutual support, encouragement, and benefit between all our academies
- To develop, as the foundation stone of academic achievement, a strong culture of professional development amongst our staff
- To recognise and address the challenges of small rural communities
- To celebrate and maintain the unique identity of each academy within its community, and within the family of academies
- To recognise and enable those who often remain invisible, through ethnic or cultural disadvantage, or through disability or poverty
- DHMAT adopts a collegiate approach to developing communities of excellence, working in partnership with DHMAT academies and other educational partners to design flexible models of working which are tailored to match the needs of each academy.
- At DHMAT we aim to achieve the best for, and from each child. We intend to enable each child to realise his or her full academic, creative, and physical potential and to develop positive social and moral values. Our

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**DIRECTORS' REPORT (CONTINUED)  
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academies are a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies, and Activities**

As a Multi Academy Trust we have clear strategic aims which are founded on our mission and values. This plan sets out the following objectives to ensure that as a Trust, the public, parents, and all stakeholders have confidence in our approach.

Key priorities for the year are set out below:

Strategic Governance:

To ensure that the Board of Directors of DHMAT acts on behalf of its moral and legal owners in the best interests of DHMAT, governing lawfully in accordance with its Articles of Association and having governance arrangements that demonstrate legitimate and visionary leadership, clarity of governing and managerial relationships, effective oversight, adequate support structures for sustainability and to achieve the greatest possible economies.

School Improvement – Teaching and Learning:

To ensure that our academies provide the very best teaching in order to promote and provide high quality learning for our children and young people and that there is support in place for teachers to achieve this and make a difference for our pupils.

Continued Professional Development:

To implement a CPD programme for our academies to ensure that our staff have the right skills to further raise standards delivers good teaching and learning and disseminate good practice to ensure the rapid improvement for pupil outcomes.

Quality Assurance:

To ensure that there is a rigorous and robust programme of Quality Assurance that helps to support teachers, build expertise and capacity, and raise standards in our academies to deliver outcomes for pupils.

Integrated Support and Shared Services:

To ensure that DHMAT has business arrangements that are efficient and effective and enable to deliver on its commitments to grow and prosper and deliver value for money across all DHMAT academies. Delivering best practice, minimisation of risk and for management of resources to be concentrated to the front line of our academies.

Key activities and targets were influenced by significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

Review of numeracy, literacy, and ICT capability

Review of staffing levels in the light of budgetary pressure

Development of a new website to support communication

Development and embedding of key financial and administrative procedures

**Public Benefit**

The Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance which reviewing DHMAT's aims and objectives and in planning its future activities.

DHMAT aims to advance for the public benefit, education in the Diocese of Hereford and the surrounding area. In particular, but without prejudice to the generality of the forgoing by maintaining, managing, and developing school, offering a broad curriculum.

DHMAT provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

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**DIRECTORS' REPORT (CONTINUED)  
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**STRATEGIC REPORT**

**Achievement and Performance**

**Introduction – An Exceptional Year**

Although DHMAT had a very successful Autumn 2019 and early Spring Term 2020, the impact of COVID-19 on our national education system dominated the academic year from late February onwards. The crisis has been dramatic and is unprecedented in the history of our nation's education system.

The government announced on 18<sup>th</sup> March, that all schools in the country would 'shut' from the afternoon of Friday 20<sup>th</sup> March but would continue to look after the children of key workers and vulnerable children. The Education Secretary confirmed that all exams, including primary schools testing, would be cancelled.

All school inspections, including OfSTED and SIAMS were suspended until further notice. Inspection work will not resume until January 2021 and the timetable for this is being kept under review. On Friday 20<sup>th</sup> March, thousands of pupils, left their nurseries, schools and colleges, not knowing when they would return and, in for many, such as in the case of year 6 and year 11 pupils if they would return. Y6 pupils had a limited chance to come back into schools for the last half term but that was not possible for year 11 pupils.

From Monday 23<sup>rd</sup> March until the end of the summer term, our academies provided a childcare service for children of 'key workers'. These included NHS workers, supermarket workers, children of emergency services workers etc. For most schools this was, initially a low proportion of their number on roll (roughly 2%). This number has rose steadily to somewhere between 30% and 50% of typical number of roll.

Since 23<sup>rd</sup> March, schools prepared for and delivered learning support online in a wide range of creative ways including, in some cases face-to-face conferencing using software such as Zoom, Google Classroom or Microsoft Teams. While online learning worked very well for some, many children still have very little access to technology. A number of government schemes have been set up to improve access to technology for vulnerable families.

Thousands of parents did the best they could to support learning at home and schools supported this process in a variety of ways. Inevitably, the levels of success of this as an approach to learning was quite variable.

From 1<sup>st</sup> June, every primary academy in DHMAT extended their opening to larger groups of pupils, in most cases, YR, 1 & 6. Each school produced a detailed risk assessment, which was reviewed centrally. We saw increasing attendance in these year groups as well as larger numbers of key worker children attending school.

Our secondary academies have brought year 10 pupils back since the 1<sup>st</sup> June but, only up to a maximum of 25% on any given day, in accordance with government guidance. Both schools worked hard to encourage a high proportion of year 10s to attend for at least part of the week.

The DHMAT response to this acutely complex and challenging period, was strong. The leadership shown by our headteachers and the courage and dedication of school staff was outstanding.

**Primary Academies**

The year really was a tale of two halves. The first half saw excellent progress in the development of the MAT, while the second was dominated by the national lockdown.

All national testing, including phonics, KS1 and KS2 tests were cancelled as a result of the lockdown which began in mid-March 2020. Consequently, there is no summative data to report in the following sections.

**Bishop's Castle Primary School**

Bishop's Castle became a converter academy in April 2018. It has not yet been inspected by OfSTED, since joining DHMAT. Its predecessor school received an OfSTED inspection in December 2013 when it received an overall judgment of good. The same headteacher remains in post.

*The curriculum, including the wealth of educational activities offered to all pupils, is vibrant and broad. Particular strengths include art, music, community activities and outdoor learning. The good curriculum is a key component in the strong promotion of pupils' spiritual, moral, social and cultural development. OfSTED Dec 2013*

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Curriculum development was a particular focus during the first part of the most recent academic year, in light of the new OfSTED framework. The school worked hard to create a well-layered curriculum which built on existing work with the International Primary Curriculum (IPC). The schools has operated the IPC for many years and this has a well-structured & assessed approach to each subject area.

**Bitterley CE Primary School**

Bitterley became a converter academy in July 2015. Its most recent OfSTED inspection was carried out in April 2018 when it was judged to be good. Its most recent Church of England, (Section 48) inspection took place in July 2017, when it was judged to be outstanding. The same headteacher remains in post.

*"The warm and welcoming atmosphere in the school is underpinned by a strong Christian ethos. Values such as courage, care, patience, tolerance and understanding strengthen this ethos. These values are well understood by all members of the school community and are visibly apparent in the work of the school. As a result, pupils flourish in a safe environment that supports them well, both academically and pastorally." OfSTED April 2018*

**Burford CE Primary School**

Burford became a converter academy in July 2015. Its most recent OfSTED inspection was carried out in November 2018 when it was judged to be 'requires improvement'. The current headteacher took up post a few weeks before the inspection. Burford's most recent Church of England, (Section 48) inspection took place in November 2019, when it was judged to be good under the challenging new inspection framework.

*'Burford is a welcoming, inclusive and vibrant school.'*

*'The school's leadership is driven to strive for excellence...'*

*'The school prioritises the support given to pupils' mental health, resilience and wellbeing.' SIAMS Inspection – November 2019*

**Burley Gate CE Primary School**

Burley Gate became a converter academy in October 2016. Its most recent OfSTED inspection was carried out in December 2018, when it was judged to be good. Its most recent Church of England, (Section 48) inspection took place in October 2016, when it was judged to be good. The same headteacher, remains in post.

*"Leaders and staff work hard to provide pupils of all ages with purposeful and stimulating learning experiences. Subjects are taught imaginatively to engage pupils' interest, broaden their knowledge, deepen their understanding and develop their skills. Staff are committed to providing a rich range of additional activities, such as the forest school, educational visits, visitors to school and extensive sport and artistic events." OfSTED Inspection Dec 2018*

There is an executive headteacher for St Michael's CE Primary, Bodenham and Burley Gate CE Primary. The two Local Academy Boards amalgamated in 2018.

Preparations have been made for a new nursery to open on the school site following the closure of the local, privately run provision. It is hoped that this facility will be available for parents by Christmas 2020

**Condover CE Primary School**

Condover became a converter academy in December 2017. It has not yet received an OfSTED inspection since then. Its predecessor school's most recent OfSTED inspection was carried out in November 2012, when it was judged to be good. Its most recent Church of England, (Section 48) inspection took place in July 2018, when it was judged to be outstanding. The same headteacher, remains in post.

*The headteacher is an ambitious and effective leader who has an accurate view of the school's strengths and areas for improvement. Together with other staff and the governing body, she has generated many improvements since her appointment. OfSTED Nov 2012.*

*A strong team of faithful and passionate school leaders, clergy, and governors, who work together to put Christian values at the heart of all their decisions, enables children and adults to flourish academically, spiritually, socially and emotionally. SIAMS Jul 2018*

There is an executive headteacher for Condover CE Primary and St Edward's CE Primary, Dorrington.

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2019-20 saw a great deal of work on the curriculum, in light of the changes to the OfSTED inspection framework. Excellent progress was being made with this in the first half of the academic year. Condover welcomed a new school dog, a spaniel called Mabel, in the last academic year.

**Eastnor CE Primary School**

Eastnor became a converter academy in November 2018. It has not yet received an OfSTED inspection since then. Its predecessor school's most recent OfSTED inspection was carried out in November 2012, when it was judged to be outstanding.

Its most recent Church of England, (Section 48) inspection took place in March 2018, when it was judged to be outstanding. The same headteacher, remains in post.

*The distinctiveness and effectiveness of Eastnor Parochial as a Church of England school are outstanding. The excellent spiritual, moral, social and cultural education which is promoted throughout the life of the school has a positive impact upon relationships and pupil's wellbeing. SIAMS March 2018*

**Ludlow Primary School**

Ludlow Primary School was created from the amalgamation of Ludlow Infant School and Ludlow Junior School. Ludlow Infant School has been placed in special measures by OfSTED in November 2018. The headteacher of Ludlow Junior School became the headteacher of the newly formed school. Ludlow Junior School was inspected by OfSTED in November 2018 and was judged to be good.

*Since her appointment in September 2017, the headteacher has wasted no time in addressing weaknesses in the school. As a result, the school has improved rapidly in a short space of time and standards have risen. School leaders, the local governing body and the trust are aspirational for the school and the pupils. The trust provides effective support and challenge to the school. OfSTED Nov 2018*

Ludlow Primary welcomed a new school dog, a labradoodle called Hamish, in the last academic year. At both school sites the library areas have been refurbished and reorganised. Pupils will have a regular session in the library and will be able to borrow books. Key Stage 1 and EYFS classrooms have a clear phonics area to support pupils to gain fluency in phonics and early reading. In the Key Stage 2 classrooms, there are stimulating reading areas to promote a love of reading. The EYFS classrooms have been reorganised and the learning and play areas for children age 2-5 years is now sited close together. Little Buds and Acorns Nursery have been completely refurbished, including both indoor and outdoor provision. There are marked improvements in the environments and resources are organised and zoned to cover the ELGs. Leadership has been reorganised in Acorns Nursery and Little Buds. An attractive outdoor area has been created to support staff well-being. This area will be available for staff to use for breaks, lunch and reflection.

**Morville CE Primary School**

Morville became a converter academy in September 2014. Its most recent OfSTED inspection was carried out in June 2017 when it was judged to be good. Morville's most recent Church of England, (Section 48) inspection took place in June 2017, when it was judged to be good.

A new executive headteacher for Morville was appointed by the trust in the Spring of 2019. Morville now works closely with the Trinity Federation of St Mary's CE Primary, Bridgnorth, Beckbury and Worfield CE Primary Schools, who share the same executive headteacher.

In 2019-20 and major building project on the roof saw substantial disruption and eventual refurbishment of the main school building. This has significantly improved the fabric of the school buildings at Morville. A new head of school has also been appointed for start of the new academic year.

**St Edward's Dorrington**

Condover became a sponsored academy in December 2017. It has not yet received an OfSTED inspection since then. Its predecessor school's most recent OfSTED inspection had placed it in 'special measures' in March 2017. Following the inspection an executive headteacher was appointed from Condover CE Primary.

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Its most recent Church of England, (Section 48) inspection took place in September 2017, just after the current executive headteacher had recently taken over. It was judged to be satisfactory.

*The school's mission and practice makes it explicit that core Christian values of peace, trust, love, hope and friendship are central to the work of the school. One child explained, 'Without love, we are nothing'. These values are at the heart of the close connection with Condover school, and are transforming the opportunities for the children at Dorrington. This partnership has a positive impact on the academic, spiritual, and personal development of pupils. SIAMs Sept 2017*

There is an executive headteacher for Condover CE Primary and St Edward's CE Primary, Dorrington.

**St George's CE Primary School, Clun**

St George's became a converter academy in May 2018. It has not yet been inspected by OfSTED, since joining DHMAT. Its predecessor school received an OfSTED inspection in June 2016, when it received an overall judgment of good. The school's most recent Church of England, (Section 48) inspection took place in October 2016, when it was judged to be outstanding.

Following a brief period of executive headship, a new headteacher took over from September 2019. The strong leadership of the new headteacher has been extremely positive for the school during the last academic year. A newly imagined vision for the school, based on the river that flows through the village, is now taking shape.

**St Michael's CE Primary, Bodenham**

St Michael's became a converter academy in October 2016. Its most recent OfSTED inspection was carried out in December 2018, when it was judged to be good. Its most recent Church of England, (Section 48) inspection took place in October 2016, when it was judged to be good. The same headteacher, remains in post.

*(The headteacher has) ...quickly built strong relationships with your team of staff and together you ensure that pupils have an enjoyable and successful experience at school. Pupils and staff model the school's Christian values well, because they treat each other with respect and kindness. There is a real sense of care for one another." OfSTED Inspection Dec 2018*

There is an executive headteacher for St Michael's CE Primary, Bodenham and Burley Gate CE Primary. The two Local Academy Boards amalgamated in 2018.

**St Thomas Cantilupe CE Primary**

At the start of the academic year, a new executive headteacher was undertaking a rapid school improvement process. The school had been placed in special measures in December 2018. During the course of the year, the executive headteacher became the substantive headteacher at St Thomas Cantilupe CE Primary. The school's most recent Church of England, (Section 48) inspection took place in October 2017, when it was judged to be good.

The year has seen rapid and substantial improvement to all aspects of the school's operation. There is now a strong and enthusiastic team of teachers and support staff. The physical environment has been improved significantly, both inside and out, during the last academic year, with many areas having been reordered and/or refurbished. The curriculum has been completely redesigned and it going to be fully implemented in the new academic year.

The first monitoring visit from OfSTED had been triggered in March, but was cancelled due to the national lockdown. We expect special measures to be formerly removed, when OfSTED reinspect, which is likely to be in the spring term.

**Tenbury CE Primary School**

Tenbury became a converter academy in February 2016. Its most recent OfSTED inspection was carried out in December 2018, when it was judged to be good.

Its most recent Church of England, (Section 48) inspection took place in November 2015, when it was judged to be good.

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*Tenbury Church of England Primary Academy is a positive and inclusive school community. Leaders and staff provide a curriculum and enrichment activities that make a strong contribution to pupils' spiritual, moral, social and cultural development. In addition to providing a varied and stimulating curriculum, particularly in the creative and fine arts, leaders and staff have improved pupils' use of information and communication technology.*

*OfSTED inspection report – December 2018*

*2019-20 saw a focus on curriculum development and the role of subject leaders in light of the requirements of the revised OfSTED framework.*

### **Secondary Academies**

Pupils did not sit end of year exams in May, because of the Covid pandemic, but GCSE grades were awarded and given to pupils in late August. Grades were allocated based on the higher of either the Ofqual algorithmic calculation, or the school's centrally assessed grades. It was an extremely difficult process for everyone which evolved very rapidly over the summer holiday. The BTEC results were delayed and were published a week later than GCSE results.

The two secondary schools' Centre-Assessed Grades (CAGs), submitted to the exam boards in June, have been enhanced, following the decision by the DfE in August to apply the national standardisation algorithm, if it resulted in a better grade for a student. Unfortunately, this has taken away the integrity of the CAGs, and makes any comparison of schools' performance nationally unreliable. Therefore, there are no Progress 8 figures available. There were significant improvements in English and Maths at both grades 4 and 5, and the average EBacc points score improved significantly in both schools.

Comparisons of our schools' CAGs with 2019 outcomes, however, should be treated with caution, as, though these were the professional judgements of our teachers, they are not validated externally in any meaningful way. SLT and Middle Leaders were rigorous in their moderation of CAGs, but it is inevitable that CAGs will be more positive than the outcomes might have been in an examination series.

The Trust is basing its analysis and action planning on CAGs, and not on the adjusted results that the student cohort received, following the application of the algorithm. The reason is for this is that the vast bulk of the results are unchanged, and where there are outliers, when a student has received a significant grade inflation, this is not helpful in an analysis about success of teaching and learning.

### **Ludlow Church of England School**

Ludlow became a converter academy in April 2017. The academy received a full section 5 inspection in February 2020, under the new framework and received a judgement of 'good' in all areas.

*In this school, there is a strong moral purpose to give pupils a springboard to future success. This and the school's Christian values are the driving forces behind what the school provides and how it goes about providing it. Pupils experience a broad, rich education that goes beyond the academic. It expands pupils' horizons. It helps prepare them for future education, life in British society and the world of work.*

*Staff have pupils' best interests at heart. This motive permeates all decision-making. Consequently, pupils are safe and well cared for. Leaders strive to provide the high-quality education they believe pupils deserve. The quality of education which pupils receive has improved in recent years and keeps on getting better. - OfSTED Inspection February 2020*

Its most recent Church of England, (Section 48) inspection took place in May 2017, when it was judged to be good.

### **The Hereford Church of England Academy**

Th Hereford Academy became a sponsored academy in September 2015. The academy received a full section 5 inspection in Nov 2018, which judged the school as inadequate. This was the third time it had been judged as inadequate by OfSTED since it originally opened in 2008.

The trust appointed a new headteacher who joined the school in the summer term of 2019. Last year was the first time in 5 years that the school has had the same headteacher for more than 1 calendar year. As a result of this crucial improvement in leadership stability, there have been a number of changes implemented, which are resulting in substantial impact on several key areas, including: Curriculum, Leadership structure and governance.

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A new leadership team has also been appointed, with a new assistant head joining in the summer of 2020.

The first OfSTED monitoring visit since the full inspection took place in October 2019. It judged that: *Leaders and managers are taking effective action towards the removal of special measures.*

The Hereford Church of England Academy is now a Teach First Hub for the area and is pleased to be able to host 4 trainees for 2020/21, all of whom are additional teaching support, rather than as part of the basic staff capacity. This is the first time Teach First have operated in Herefordshire. Our Headteacher sits as the secondary school representative on the Haybridge Teaching SCITT/ PGCE programme.

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<b>GCSE Adjusted Outcomes (best of algorithm and CAGs) 2020</b>					
Section	Performance Measure	2020 Adjusted Results (CAGs)		2019 Results	
		Ludlow CE School	The Hereford CE Academy	Ludlow CE School	The Hereford CE Academy
<b>Key Stage 4 Cohort</b>	Number of Students at end of KS4	108	121	128	149
<b>Progress 8 * &amp; Attainment 8*</b>	Progress 8 Score	-0.24(-0.17)	-0.73 (-0.55)	-0.46	-1.00
	Attainment 8 (Average Total eg 44.81)	47.75 (46.84)	40.27 (39.09)	43.2	33.95
<b>Ebacc</b>	% of cohort achieving the English Bacculaureate at Grade 4 or above	17.6	5.8	21	4.7
	% of cohort achieving the English Bacculaureate at Grade 5 or above	10.2	3.3	15	4
	% of cohort entering the English Bacculaureate	22.2 (21.3)	7.4	29	12.1
	Ebacc average point score	4.08 (3.98)	3.16 (3.11)	3.77	2.26
<b>Ebacc Subjects</b>	% of cohort attaining a standard pass (Grade 4) or above in English	81.5	60.3	75	51
	% of cohort attaining a strong pass (Grade 5) or above in English	62.0	36.4	63	35
	% of cohort attaining a standard pass (Grade 4) or above in maths	76.9	63.6	73	40
	% of cohort attaining a strong pass (Grade 5) or above in maths	45.4	25.6	37	21.5
<b>The Basics</b>	% of cohort attaining a standard pass (Grade 4) or above in English & maths	73.1	51.2	79	33
	% of cohort attaining a strong pass (Grade 5) or above in English & maths	40.7	23.1	35	17

\* Caution – these figures are based upon FFT's Collaboration Data, and also employ 2019 estimates; they are not official DfE/Ofsted figures

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**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, there was no unspent GAG.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2020 this was 104.0% compared to 99.5% in 2019.

The following KPIs were set at the start of the year:

	<b>Target at 1/9/19</b>	<b>Actual at 31/8/20</b>
GAG carry forward	>1.5%	0%
Student attendance	>95.0%	91.5%
Staff costs to GAG	<90.0%	104.0%

**Going Concern**

After making appropriate enquiries, the Board of Directors has a reasonable expectation that DHMAT has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**FINANCIAL REVIEW**

**Financial Review**

Most of DHMAT's income is obtained from the DfE via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

DHMAT also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in DHMAT's accounting policies.

During the year ended 31 August 2020, DHMAT received total income of £18,209k and incurred total expenditure of £20,173k. The excess of expenditure over income for the year was £1,964k.

DHMAT had brought forward free reserves of £873k, as at 1 September 2019. During the 2020 financial year a net deficit of £215k was realised on free reserves leaving a carried forward free reserves position of £658K, as at 31 August 2020.

DHMAT received capital funding during the year for the replacement of block B at Ludlow Secondary CE school part of which was a loan of £420k. DHMAT was expected to contribute to the building work from existing reserves. The opening of the building was delayed from Easter 2020 to end of May 2020 due to the lockdown under COVID 19.

COVID 19 has had an impact on the finances of DHMAT from the loss of letting income at The Hereford Academy to the additional cleaning costs and the purchase of PPE equipment. Throughout the lockdown period the majority of schools were open for key workers' children and from June the primary schools opened to more children. The Trust has not claimed back any income from the DfE to cover additional costs associated with COVID 19.

At 31 August 2020 the net book value of fixed assets was £26,251k and movements in tangible fixed assets are shown in Note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of DHMAT.

DHMAT has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 29 to the financial statements.

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Key financial policies reviewed and updated included in the Debt Recovery Procedure and associated Policy and the Charging and Remission Policy.

**Reserves Policy**

DHMAT policy is that cash flow levels should be built up over subsequent years to cover eight weeks of operating costs which is equivalent to £2,000k and an additional amount per pupil for any necessary capital works. This total has not yet been built up at the present time, but the intention remains to achieve this over coming years. The Reserves policy states that any reserves will be built over and above the eight weeks operating costs identify in the Cash policy and held centrally by DHMAT. As at 31 August 2020 free reserves were £658K.

The Directors review the reserve levels of DHMAT annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The Directors take into consideration the future plans of DHMAT, the uncertainty over future income streams and other key risks identified during the risk review.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that DHMAT is paying higher employers' pension contribution over a period of years. The higher employers' pension contributions will be met from DHMAT's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of DHMAT.

**Investment Policy**

Day to day management of academy surplus funds is delegated to the Headteacher within strict guidelines approved by the Board of Directors.

**Principal Risks and Uncertainties**

The Board of Directors has reviewed the major risks to which DHMAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing DHMAT are as follows:

- Financial – DHMAT has considerable reliance on continued Government funding through the ESFA. In the last year 96.2% of DHMAT's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively management DHMAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of DHMAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors, ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection – the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.
- Staff – the success of DHMAT is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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- Fraud and mismanagement of funds – DHMAT has appointed a Responsible Officer to carry out checks on financial systems and records as required by DHMAT Financial Handbook. All finance staff received training to keep them up to date with financial practice requirements and develop their skills in this area.

DHMAT has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Director has assessed the major risk to which DHMAT is exposed, in particular those relating to its finances, teaching, facilities, and other operational areas. The Directors have implemented a number of systems to assess and minimise those risk, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Directors examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Directors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, DHMAT had no significant liabilities arising from trade creditors or debtors that would have significant effect on liquidity.

The Board of Directors recognises that the defined benefit pension scheme deficit (Local Government Pension scheme), which is set out in Note 29 to the financial statements, represents a significant potential liability. However, as the Directors consider that DHMAT is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability minimised.

**STREAMLINED ENERGY AND CARBON REPORTING**

**Background**

The academy trust has 15 schools across 16 sites. All of our schools have a mix of gas and oil fired heating systems, we currently have no schools with solar panels. One school had these removed in 19/20 due to replacement of the building they were sited.

All members of the Trust are entitled to claim business mileage if required. However, the majority of travel claims are amongst a small number of staff in the central team, who visit schools across the diocese. Long journeys will usually be undertaken via public transport.

This methodology follows the GHG Reporting Protocol and uses the 2020 Government emission conversion factors for greenhouse gas company reporting.

**Disclosure of Information**

**UK Greenhouse gas emissions and energy use data for the period  
1 September 2019 to 31 August 2020**

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Energy consumption used to calculate emissions (kWh)	4,125,395
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Energy consumption break down (kWh):

- gas
- electricity
- transport fuel

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**Scope 1 emissions in metric tonnes CO<sub>2</sub>e**

Gas consumption	403.044
Oil consumption	92.250
Owned transport – mini-buses	2.850
Total Scope 1	= 498.144

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**UK Greenhouse gas emissions and energy use data for the period  
1 September 2019 to 31 August 2020**

<b>Scope 2</b> emissions in metric tonnes CO <sub>2</sub> e	
Purchased electricity	360.494
<b>Scope 3</b> emissions in metric tonnes CO <sub>2</sub> e	
Business travel in employee owned vehicles	3.990
Total gross emissions in metric tonnes CO <sub>2</sub> e	862.627
Intensity ratio Tonnes CO <sub>2</sub> e per pupil	0.2858

**Quantification and reporting methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

**Measures taken to improve energy efficiency**

- The Trust have submitted SALIX bids for a number of our schools who currently do not have LED lighting.
- One secondary school has had a block replaced which has LED lighting and improved heating and ventilation, as well as double glazed units.
- One primary school is having its boiler system replaced in 2020/2021
- Replacement roof in a Primary school which will improve insulation.
- Replacement of temporary classroom x 2 at a primary school and a permanent structure built
- Since March 2020, the majority of meetings are being held virtually, significant reduction in the central team's mileage.
- Conferences and training are being accessed remotely reducing the mileage and use of public transport

**PLANS FOR FUTURE PERIODS**

DHMAT will continue to strive to provide outstanding education and improve the level of performance of its pupils at all levels. DHMAT will continue to aim to attract excellent teachers and support staff in order to deliver its objectives.

DHMAT will continue to work with its academies and partner schools to improve the educational opportunities for students in the wider community.

During the next 12 months DHMAT will explore with ESFA and the Diocese of Hereford, the opportunities to extend the Trust to include other schools/academies in the region.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

DHMAT and its Directors do not act as the Custodian Directors of any other Charity.

**ADDITIONAL COMPANIES ACT REQUIREMENTS**

DHMAT provide equality of opportunity to all in pre-employment and employment. Whether candidates are internal and seeking a new position within DHMAT or are external candidates, DHMAT:

- Demonstrates an open and transparent approach to recruitment

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**DIRECTORS' REPORT (CONTINUED)  
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- Ensure that recruitment decisions are made using pre-agreed objective criteria
- Seeks to appoint the most suitable applicant for the job based on merit
- Ensures the recruitment and selection process conveys a positive image of DHMAT and academy and portrays DHMAT and academy as an employer of choice
- Demonstrates its commitment to employ, retain and develop the abilities of disable people, for example, through achievement of the 'two ticks' aware by Job Centre Plus.
- Ensures that the recruitment and selection of staff is conducted in a professional, timely and responsive manner and in compliance with current employment legislation

Provides appropriate training, development, and support of those involved in recruitment and selection activities in order to ensure the recruitment of employing people is fair and legally compliant.

Treats all applicants fairly, equitably, and efficiently, with respect and courtesy, aiming to ensuring that the applicant experience is positive, irrespective of the outcome

Ensure that if any member of staff involved in the recruitment process is related to or has a close personal relationship with an applicant then they are not involved in the recruitment process at any point. This includes, but is not restricted to, decisions on restructures, ring-fencing and decisions about post-creation and job description content.

Ensures that all documentation relating to applicants will be treated confidentially and kept securely in accordance with DHMAT and (if relevant) the academy's Data Protection Policy.

DHMAT does not as a matter of course require job applicants to complete a medical questionnaire as part of the application procedure. Health related questions are only asked if they are intrinsic to a function of their work, for example, ensuring applicants for PE teaching post have the physical capability to carry out the duties. Additionally, candidates are not being asked about their sickness record until they have been made a conditional offer. Additional advice can be sought from DHMAT.

If an employee has or develops a disability that is making it difficult to work, DHMAT consider what reasonable adjustments they can make in the workplace to help or schedule an interview to discuss what can be done to support them. This could be as simple as supplying an adequate, ergonomic chairs or power-assisted equipment. Any reasonable adjustments (for example, purchasing of ergonomic chair or power-assisted equipment, or the re-deployment to a different type of work if necessary) are considered and offered wherever possible.

DHMAT regularly reviews its policies and engages in discussions with all employees to provide information and consult on matters affects them.

## **AUDITORS**

In so far as the Directors are aware:

There is no relevant audit information of which the Charitable Company's auditors is unaware; and The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appointment them will be proposed at the annual general meeting.

Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as company directors on 9 December 2020 and signed on the board's behalf by:



**W Finn  
Chair**



**A Teale  
Accounting Officer**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Directors, we acknowledge we have overall responsibility for ensuring that DHMAT has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

**GOVERNANCE**

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 4 times during the year.

Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
A Smith	3	4
Bishop R Firth	1	1
W Finn, Chair	4	4
A Soper	0	0
A Teale	4	4
M Simmons	3	4
S Robertson	0	2
K Askew	0	0
P Banford	3	4
C Watson	4	4
L Stevenson	2	4
R Pizii	3	4
K Skerrett	3	4

The Finance and Resources Committee is a sub-committee of the main Board of Directors. Its purpose is to assist the Board in meeting its responsibility for performance and forecast, ensuring the adequacy and effectiveness of the financial reporting, the value for money of resources, capital projects and risk management.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
C Watson	4	4
A Teale	4	4
L Stevenson	3	4
R Pizii	4	4
M Simmons	4	4

The Education Committee is a sub-committee of the main Board of Directors. Its purpose is support the strategic role of the Board by scrutinising in-dept the standards achieved by DHMAT academies and then report observations succinctly to the main Board.

## **GOVERNANCE STATEMENT (CONTINUED)**

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### **REVIEW OF VALUE FOR MONEY**

As accounting officer, the CEO responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resources;
- Not allocating time/resources to areas where few improvements can be achieved;
- Making comparisons with similar Academies using data provided by the ESFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing resources availability and requirements before recruiting;
- Reviewing the quality of curriculum provision and quality of teaching;
- Review quality of children's learning to enable children to achieve nationally expected progress; and
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- More effective use of ICT to provide papers for meetings so reducing printing costs.

### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in DHMAT for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **CAPACITY TO HANDLE RISK**

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

### **THE RISK AND CONTROL FRAMEWORK**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance

**GOVERNANCE STATEMENT (CONTINUED)**

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**THE RISK AND CONTROL FRAMEWORK (CONTINUED)**

- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties; and
- Identification and management of risks

The board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Bishop Fleming LLP, the external auditors, to perform additional checks. After 31 August 2020 Kreston Reeves will be responsible for providing the Trust's internal audit function.

The auditor's role includes giving advice on financial matters and performing range of checks on the Academy Trust's financial systems, including those adopted at academies under the Trust. In particular the checks carried out in the current period included the testing of; payroll, purchases, income and expenditure, and the bank account reconciliations

On termly basis, the internal auditor reports to the board of Directors through the audit and risk committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- on discharge of the Board of Directors financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 9 December 2020

and signed on



**W Flinn**

Chair



**A Teale**

Accounting Officer

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of DHMAT I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



**A Teale**

Accounting Officer

Date: 9 December 2020

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial . Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Directors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 ;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on  
9 December 2020 and signed on its behalf by:



**W Finn**  
Chair

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DIOCESE OF HEREFORD MULTI ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Diocese of Hereford Multi Academy Trust (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Academy Trustbalance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DIOCESE OF HEREFORD MULTI ACADEMY TRUST (CONTINUED)**

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**OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Directors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent Academy Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DIOCESE OF HEREFORD MULTI ACADEMY TRUST (CONTINUED)**

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**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Wood FCCA (Senior statutory auditor)**

for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: 23rd December 2020

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF  
HEREFORD MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 27 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Hereford Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Diocese of Hereford Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Hereford Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Diocese of Hereford Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIOCESE OF HEREFORD MULTI ACADEMY TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Diocese of Hereford Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF  
HEREFORD MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: 23rd December 2020

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME FROM:</b>						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	52,994
Other donations and capital grants		-	416,220	337,579	753,799	2,683,824
Charitable activities	4	66,147	17,063,981	-	17,130,128	16,692,870
Other trading activities	5	323,556	-	-	323,556	598,090
Investments	6	1,086	-	-	1,086	996
<b>TOTAL INCOME</b>		<b>390,789</b>	<b>17,480,201</b>	<b>337,579</b>	<b>18,208,569</b>	<b>20,028,774</b>
<b>EXPENDITURE ON:</b>						
Raising funds		91,968	-	-	91,968	131,514
Charitable activities		394,430	18,369,653	1,317,149	20,081,232	19,631,701
<b>TOTAL EXPENDITURE</b>		<b>486,398</b>	<b>18,369,653</b>	<b>1,317,149</b>	<b>20,173,200</b>	<b>19,763,215</b>
<b>NET EXPENDITURE</b>		<b>(95,609)</b>	<b>(889,452)</b>	<b>(979,570)</b>	<b>(1,964,631)</b>	<b>265,559</b>
Transfers between funds	21	(119,452)	119,452	-	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>(215,061)</b>	<b>(770,000)</b>	<b>(979,570)</b>	<b>(1,964,631)</b>	<b>265,559</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	29	-	(2,112,000)	-	(2,112,000)	(3,137,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(215,061)</b>	<b>(2,882,000)</b>	<b>(979,570)</b>	<b>(4,076,631)</b>	<b>(2,871,441)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		873,169	(11,253,000)	27,495,057	17,115,226	19,986,667
Net movement in funds		(215,061)	(2,882,000)	(979,570)	(4,076,631)	(2,871,441)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>658,108</b>	<b>(14,135,000)</b>	<b>26,515,487</b>	<b>13,038,595</b>	<b>17,115,226</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 36 to 70 form part of these financial statements.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER:08762217**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	14	26,251,497	25,151,269
Stocks	16	7,256	7,256
Debtors	17	702,589	2,226,344
Cash at bank and in hand		1,697,025	2,187,702
		<u>28,658,367</u>	<u>29,572,571</u>
Creditors: amounts falling due within one year	18	(984,004)	(1,069,345)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>27,674,363</b>	<b>28,503,226</b>
Creditors: amounts falling due after more than one year	19	(500,768)	(135,000)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>27,173,595</b>	<b>28,368,226</b>
Defined benefit pension scheme liability	29	(14,135,000)	(11,253,000)
<b>TOTAL NET ASSETS</b>		<b>13,038,595</b>	<b>17,115,226</b>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	26,515,487	27,495,057
Restricted funds excluding pension asset	21	26,515,487	27,495,057
Pension reserve	21	(14,135,000)	(11,253,000)
<b>Total restricted funds</b>	21	<b>12,380,487</b>	<b>16,242,057</b>
<b>Unrestricted income funds</b>	21	<b>658,108</b>	<b>873,169</b>
<b>TOTAL FUNDS</b>		<b>13,038,595</b>	<b>17,115,226</b>

The financial statements on pages 32 to 70 were approved by the Directors, and authorised for issue on 9 December 2020 and are signed on their behalf, by:



W Finn  
Chair

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER:08762217**

**ACADEMY TRUST BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	14	26,251,497	25,151,269
Investments	15	1	1
		<u>26,251,498</u>	<u>25,151,270</u>
<b>CURRENT ASSETS</b>			
Debtors	17	702,917	2,253,670
Cash at bank and in hand		1,666,313	2,162,312
		<u>2,369,230</u>	<u>4,415,982</u>
Creditors: amounts falling due within one year	18	(971,056)	(1,064,026)
		<u>1,398,174</u>	<u>3,351,956</u>
<b>NET CURRENT ASSETS</b>			3,351,956
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>27,649,672</u>	<u>28,503,226</u>
Creditors: amounts falling due after more than one year	19	(500,768)	(135,000)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>27,148,904</u>	<u>28,368,226</u>
Defined benefit pension scheme liability	29	(14,135,000)	(11,253,000)
<b>TOTAL NET ASSETS</b>		<u><u>13,013,904</u></u>	<u><u>17,115,226</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	26,515,487	27,495,057
Restricted funds excluding pension liability	21	26,515,487	27,495,057
Pension reserve	21	(14,135,000)	(11,253,000)
<b>Total restricted funds</b>	21	<u>12,380,487</u>	<u>16,242,057</u>
General funds	21	633,417	873,169
<b>TOTAL FUNDS</b>		<u><u>13,013,904</u></u>	<u><u>17,115,226</u></u>

The financial statements on pages 32 to 70 were approved by the Directors, and authorised for issue on 9 December 2020 and are signed on their behalf, by:



**W Finn**  
Chair

The notes on pages 36 to 70 form part of these financial statements.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by/(used in) operating activities	23	<b>1,180,267</b>	(2,211,037)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	25	<b>(2,078,712)</b>	2,222,352
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	24	<b>407,768</b>	150,000
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>			
		<b>(490,677)</b>	161,315
Cash and cash equivalents at the beginning of the year		<b>2,187,702</b>	2,026,387
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	26, 27	<b>1,697,025</b>	2,187,702

The notes on pages 36 to 70 form part of these financial statements

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Diocese of Hereford Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Academy Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

**1.2 GOING CONCERN**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Group has provided the goods or services.

**1.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on raising funds**

This includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE (CONTINUED)**

• **Charitable activities**

These are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 TANGIBLE FIXED ASSETS**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated balance sheet and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated balance sheet. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the academy/academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Where the Academy Trust has been granted use of school buildings from the Diocese of Hereford under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. In such instances land and buildings are not included on the balance sheet of the Multi Academy Trust.

The Supplemental Agreement includes the right for the Diocese of Hereford Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

The Academy Trust includes a notional donation and corresponding expense for the use of these assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold land and property	- Leasehold land over 125 years Buildings over 50 years Land and building additions on Diocese owned estates are depreciated on a straight line basis over 2 years.
Furniture and equipment	- 20% Straightline basis
Computer equipment	- 33.3% Straight Line
Motor vehicles	- 25% Straight Line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated balance sheet.

Where improvements to land and building have been undertaken at an academy where assets are owned by the Diocese these improvements will be written off over a period of 2 years.

**1.7 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated balance sheet.

Investments in subsidiaries are valued at cost less provision for impairment.

**1.8 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. The value of stock relates to stock items held by the Subsidiary of the trust and relates to low value items for the provision of sports facilities.

**1.9 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount prepaid.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 LIABILITIES**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.12 FINANCIAL INSTRUMENTS**

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 20. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 OPERATING LEASES**

Rentals paid under operating leases are charged to the Consolidated balance sheet on a straight line basis over the lease term.

**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Consolidated balance sheet and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.15 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Transfer from Local Authority on conversion	-	-	-	-	52,994
Donations	-	416,220	-	<b>416,220</b>	427,494
Capital Grants	-	-	337,579	<b>337,579</b>	2,256,330
	<u>-</u>	<u>416,220</u>	<u>337,579</u>	<u><b>753,799</b></u>	<u>2,736,818</u>
<b>TOTAL 2019</b>	<u>104,994</u>	<u>375,494</u>	<u>2,256,330</u>	<u>2,736,818</u>	

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**4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	13,767,608	<b>13,767,608</b>	13,868,131
Other DfE Group grants	-	2,072,229	<b>2,072,229</b>	1,388,230
	-	15,839,837	<b>15,839,837</b>	15,256,361
<b>Other Government Grants</b>				
High Needs	-	384,742	<b>384,742</b>	408,849
Other government grants	-	839,402	<b>839,402</b>	759,701
	-	1,224,144	<b>1,224,144</b>	1,168,550
<b>Other Funding</b>				
Internal catering income	47,339	-	<b>47,339</b>	43,384
Other funding	18,808	-	<b>18,808</b>	50,189
EYFS funding	-	-	-	114,386
Other grants	-	-	-	60,000
	66,147	-	<b>66,147</b>	267,959
<b>Other funding</b>				
	66,147	17,063,981	<b>17,130,128</b>	16,692,870
TOTAL 2019	179,902	16,512,968	16,692,870	

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	46,058	<b>46,058</b>	42,213
External catering	66,388	<b>66,388</b>	16,407
School fund income	94,451	<b>94,451</b>	348,848
Income from charity trading activities	116,659	<b>116,659</b>	190,622
	323,556	<b>323,556</b>	598,090

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**5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)**

In the previous financial year all income relating to the school fund was brought in to the Trust. As the school fund is now incorporated within the Trust the income is now recorded within other income.

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Bank interest	1,086	<b>1,086</b>	996

**7. EXPENDITURE**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising activities:					
Direct costs	34,814	-	57,154	<b>91,968</b>	131,514
Educational activities:					
Direct costs	11,578,719	587,828	1,376,717	<b>13,543,264</b>	12,863,345
Support costs	2,711,408	1,237,876	2,588,684	<b>6,537,968</b>	6,768,356
	<u>14,324,941</u>	<u>1,825,704</u>	<u>4,022,555</u>	<u><b>20,173,200</b></u>	<u>19,763,215</u>
TOTAL 2019	<u>14,084,867</u>	<u>2,796,844</u>	<u>2,881,504</u>	<u>19,763,215</u>	

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**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Direct costs 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Education	13,543,264	6,537,968	<b>20,081,232</b>	19,631,701
TOTAL 2019	<u>12,863,345</u>	<u>6,768,356</u>	<u>19,631,701</u>	

**Analysis of direct costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Pension finance costs	<b>145,000</b>	121,000
Staff costs	<b>11,578,719</b>	11,382,904
Depreciation	<b>1,170,106</b>	506,336
Educational supplies	<b>268,894</b>	278,731
Examination fees	<b>65,862</b>	103,813
Staff development	<b>49,486</b>	58,568
Other costs	<b>92,186</b>	142,980
Supply teachers	<b>121,907</b>	206,959
Technology costs	<b>51,104</b>	62,054
	<u><b>13,543,264</b></u>	<u>12,863,345</u>

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**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Pension finance cost	<b>65,000</b>	93,000
Staff costs	<b>2,711,408</b>	2,650,847
Depreciation	<b>147,043</b>	126,584
School fund expenditure	<b>14,684</b>	157,580
Recruitment and support	<b>40,060</b>	23,243
Maintenance of premises and equipment	<b>309,680</b>	327,673
Cleaning	<b>300,444</b>	303,276
Rent and rates	<b>491,897</b>	516,716
Energy costs	<b>300,569</b>	295,968
Insurance	<b>243,747</b>	121,879
Security and transport	<b>60,310</b>	27,059
Catering	<b>352,807</b>	371,748
Technology costs	<b>336,556</b>	378,238
Office overheads	<b>169,217</b>	144,093
Professional services	<b>983,841</b>	772,695
Bank interest and charges	<b>10,705</b>	3,177
Service level agreements	-	9,019
Ludlow CE rebuild costs	-	445,561
	<b><u>6,537,968</u></b>	<b><u>6,768,356</u></b>

**9. NET EXPENDITURE**

Net expenditure for the year includes:

	<b>2020 £</b>	<b>2019 £</b>
Operating lease rentals	<b>38,835</b>	36,957
Depreciation of tangible fixed assets	<b>1,317,149</b>	632,920
Fees paid to auditors for:		
- audit	<b>26,700</b>	25,295
- other services	<b>9,000</b>	9,000
	<b><u>1,352,849</u></b>	<b><u>677,172</u></b>

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**10. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
Wages and salaries	<b>10,376,004</b>	10,619,440	<b>10,376,004</b>	10,619,440
Social security costs	<b>927,021</b>	951,096	<b>927,021</b>	951,096
Pension costs	<b>2,987,102</b>	2,463,215	<b>2,987,102</b>	2,463,215
	<b>14,290,127</b>	14,033,751	<b>14,290,127</b>	14,033,751
Agency staff costs	<b>121,907</b>	206,959	<b>121,907</b>	206,959
Staff restructuring costs	-	27,859	-	27,859
Herecad salaries	<b>34,814</b>	51,116	-	-
	<b>14,446,848</b>	14,319,685	<b>14,412,034</b>	14,268,569

**b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS**

No staff restructuring cost were incurred during the year (2019: £27,859 to 3 individual).

**c. STAFF NUMBERS**

The average number of persons employed by the Group and the Academy Trust during the year was as follows:

	<b>Group 2020 No.</b>	Group 2019 No.
Teachers	<b>155</b>	162
Support staff	<b>394</b>	379
Management	<b>31</b>	28
	<b>580</b>	569

**d. HIGHER PAID STAFF**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

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**10. STAFF (CONTINUED)**

**d. HIGHER PAID STAFF (CONTINUED)**

	<b>Group 2020 No.</b>	Group 2019 No.
In the band £60,001 - £70,000	<b>4</b>	2
In the band £70,001 - £80,000	<b>1</b>	2
In the band £80,001 - £90,000	<b>3</b>	-
In the band £90,001 - £100,000	<b>1</b>	2
In the band £110,001 - £120,000	<b>1</b>	-
	<b>=====</b>	<b>=====</b>

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £259,279 (2019 £224,078).

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**11. CENTRAL SERVICES**

The Group has provided the following central services to its academies during the year:

- Payroll & HR
- Legal & professional
- Finance
- Insurance
- Marketing
- Strategic governance
- Management of the academy conversion process
- Tendering and procurement of contracts

The Group charges for these services on the following basis:

The Trust charges between 3-5% of School Budget Share and Educational Services Grant to the academies to cover the central services detailed above.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
St Thomas Cantilupe Church of England Academy	38,843	48,667
Morville Church of England Primary School	11,877	10,300
The Hereford Academy	170,041	173,108
Bitterley Church of England Primary School	21,341	20,372
Tenbury Church of England Primary School	36,831	37,050
St Michael's Church of England Primary School	16,766	17,216
Burford Church of England Primary School	28,233	29,090
Burley Gate Church of England Primary School	18,279	18,765
Ludlow Primary School	84,244	85,544
Ludlow Church of England School	149,193	94,492
Bishop's Castle Primary School	29,274	27,292
Condover Church of England Primary School	26,795	27,381
St Edward's Church of England Primary School	12,673	12,595
St George's Church of England Academy Clun	15,601	16,249
Eastnor Parochial Primary School	20,903	16,036
<b>TOTAL</b>	<b>680,894</b>	<b>634,157</b>

On 1 September 2019 Ludlow Infant and Nursery School joined with Ludlow Junior School to form Ludlow Primary School. As a result there is no contribution shown for Ludlow Infant and Nursery or Ludlow Junior in the current or previous year. With contributions in the previous year being added together and disclosed under Ludlow Primary School

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. DIRECTORS' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The value of Trustees' remuneration and other benefits was as follows: A Teale: Remuneration: £100,000 - £105,000 (2019: £40,000 - £45,000), Employers pension contributions: £15,000 - £20,000 (2019: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in note 32.

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed or paid directly to Director (2019 - £1,192 to 2 Directors).

**13. DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Group has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended 31 August 2020 was £1,153 (2019 - £1,153). The cost of this insurance is included in the total insurance cost.

**14. TANGIBLE FIXED ASSETS**

**GROUP**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2019	29,107,236	300,701	1,706,756	49,088	31,163,781
Additions	2,247,422	72,546	97,409	-	2,417,377
At 31 August 2020	<u>31,354,658</u>	<u>373,247</u>	<u>1,804,165</u>	<u>49,088</u>	<u>33,581,158</u>
<b>DEPRECIATION</b>					
At 1 September 2019	4,162,923	228,327	1,581,924	39,338	6,012,512
Charge for the year	1,204,595	30,565	78,739	3,250	1,317,149
At 31 August 2020	<u>5,367,518</u>	<u>258,892</u>	<u>1,660,663</u>	<u>42,588</u>	<u>7,329,661</u>
<b>NET BOOK VALUE</b>					
At 31 August 2020	<u><u>25,987,140</u></u>	<u><u>114,355</u></u>	<u><u>143,502</u></u>	<u><u>6,500</u></u>	<u><u>26,251,497</u></u>
At 31 August 2019	<u>24,944,313</u>	<u>72,374</u>	<u>124,832</u>	<u>9,750</u>	<u>25,151,269</u>

**14. TANGIBLE FIXED ASSETS (CONTINUED)**

**GROUP (CONTINUED)**

Additionally, included within land and buildings is land owned by the Trustees of Bitterley Grammar School and occupied by the MAT under a 125 year lease agreement. This land is therefore depreciated over the life of the lease and has been recognised again applying the concept of substance over form per Section 2 of FRS102. All other schools, except those occupying land and building under a supplementary agreement, are occupied under 125 year leases from the Local Authority. See accounting policy 1.6 for more information.

The MAT also occupies land and building under control of the Diocese. These assets do not appear on the fixed asset register. Instead a notional payment is made in respect of the use of these asset along with an accompanying donation from the Diocese. In the instance where the Trust commissions land and building additions on Diocese owned site the asset will be depreciated on a straight-line basis over two years, in line with the short term lease arrangement with the Diocese.

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**14. TANGIBLE FIXED ASSETS (CONTINUED)**

**TRUST**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2019	29,107,236	300,701	1,706,756	49,088	31,163,781
Additions	2,247,422	72,546	97,409	-	2,417,377
At 31 August 2020	<u>31,354,658</u>	<u>373,247</u>	<u>1,804,165</u>	<u>49,088</u>	<u>33,581,158</u>
<b>DEPRECIATION</b>					
At 1 September 2019	4,162,923	228,327	1,581,924	39,338	6,012,512
Charge for the year	1,204,595	30,565	78,739	3,250	1,317,149
At 31 August 2020	<u>5,367,518</u>	<u>258,892</u>	<u>1,660,663</u>	<u>42,588</u>	<u>7,329,661</u>
<b>NET BOOK VALUE</b>					
At 31 August 2020	<u><u>25,987,140</u></u>	<u><u>114,355</u></u>	<u><u>143,502</u></u>	<u><u>6,500</u></u>	<u><u>26,251,497</u></u>
At 31 August 2019	<u><u>24,944,313</u></u>	<u><u>72,374</u></u>	<u><u>124,832</u></u>	<u><u>9,750</u></u>	<u><u>25,151,269</u></u>

Additionally, included within land and buildings is land owned by the Trustees of Bitterley Grammar School and occupied by the MAT under a 125 year lease agreement. This land is therefore depreciated over the life of the lease and has been recognised again applying the concept of substance over form per Section 2 of FRS102. All other schools, except those occupying land and building under a supplementary agreement, are occupied under 125 year leases from the Local Authority. See accounting policy 1.6 for more information.

The MAT also occupies land and building under control of the Diocese. These assets do not appear on the fixed asset register. Instead a notional payment is made in respect of the use of these asset along with an accompanying donation from the Diocese.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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FOR THE YEAR ENDED 31 AUGUST 2020**

**15. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>Academy Trust</b>	
<b>COST OR VALUATION</b>	
At 1 September 2019	1
<b>AT 31 AUGUST 2020</b>	<u>1</u>
<b>NET BOOK VALUE</b>	
<b>AT 31 AUGUST 2020</b>	<u>1</u>
<i>AT 31 AUGUST 2019</i>	<u>1</u>

**PRINCIPAL SUBSIDIARIES**

The following was a subsidiary undertaking of the Academy Trust:

<b>Name</b>	<b>Company number</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Herecad Enterprises Limited	07717691	Provision of lettings and hire facilities	Ordinary	100%

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Surplus for the year £</b>	<b>Net assets £</b>
Herecad Enterprises Limited	<b>116,659</b>	<b>92,054</b>	<b>24,605</b>	<b>63,876</b>

**16. STOCKS**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Uniform and catering stock	<u>7,256</u>	<u>7,256</u>

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**17. DEBTORS**

	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	<b>18,398</b>	26,679	<b>30,337</b>	32,499
Amounts owed by group undertakings	-	-	<b>39,184</b>	59,184
Other debtors	<b>115,444</b>	156,696	<b>85,946</b>	127,614
Prepayments and accrued income	<b>425,027</b>	1,991,015	<b>425,027</b>	1,991,015
Tax recoverable	<b>143,720</b>	51,954	<b>122,423</b>	43,358
	<b>702,589</b>	2,226,344	<b>702,917</b>	2,253,670

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
ESFA loans	<b>57,000</b>	15,000	<b>57,000</b>	15,000
Trade creditors	<b>140,832</b>	344,136	<b>169,577</b>	367,505
Other taxation and social security	<b>227,478</b>	219,957	<b>214,473</b>	219,957
Other creditors	<b>236,207</b>	243,530	<b>207,519</b>	214,842
Accruals and deferred income	<b>322,487</b>	246,722	<b>322,487</b>	246,722
	<b>984,004</b>	1,069,345	<b>971,056</b>	1,064,026

	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
<b>DEFERRED INCOME</b>				
Deferred income at 1 September 2019	<b>144,543</b>	168,009	<b>144,543</b>	168,009
Resources deferred during the year	<b>197,695</b>	144,543	<b>197,695</b>	144,543
Amounts released from previous periods	<b>(144,543)</b>	(168,009)	<b>(144,543)</b>	(168,009)
	<b>197,695</b>	144,543	<b>197,695</b>	144,543

At the balance sheet date the Trust was holding funds received in advance in respect of ESFA grants.

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**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
ESFA loans	<b>500,768</b>	135,000	<b>500,768</b>	135,000

At the balance sheet date the Trust was holding funds received in advance in respect of ESFA grants.

**20. FINANCIAL INSTRUMENTS**

	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
<b>FINANCIAL ASSETS</b>				
Financial assets measured at fair value through income and expenditure	<b>1,697,025</b>	2,187,702	<b>1,666,313</b>	2,162,312
	<b>Group 2020 £</b>	Group 2019 £	<b>Trust 2020 £</b>	Trust 2019 £
<b>FINANCIAL LIABILITIES</b>				
Other financial liabilities measured at fair value through income and expenditure	<b>(699,526)</b>	(835,845)	<b>(699,583)</b>	(830,526)

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Other financial liabilities measured at fair value through income and expenditure comprise trade creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	873,169	390,789	(486,398)	(119,452)	-	658,108
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	14,709,371	(14,828,823)	119,452	-	-
Other DfE/ESFA Grants	-	1,488,368	(1,488,368)	-	-	-
Other Government Grants	-	398,411	(398,411)	-	-	-
Other Restricted Funds	-	884,051	(884,051)	-	-	-
Pension reserve	(11,253,000)	-	(770,000)	-	(2,112,000)	(14,135,000)
	<u>(11,253,000)</u>	<u>17,480,201</u>	<u>(18,369,653)</u>	<u>119,452</u>	<u>(2,112,000)</u>	<u>(14,135,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	24,279,991	-	(1,163,131)	-	-	23,116,860
DfE/ESFA Capital grants	3,013,012	337,579	(144,338)	-	-	3,206,253
Donations	5,063	-	(243)	-	-	4,820
Fixed assets purchased from GAG	196,991	-	(9,437)	-	-	187,554
	<u>27,495,057</u>	<u>337,579</u>	<u>(1,317,149)</u>	<u>-</u>	<u>-</u>	<u>26,515,487</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>16,242,057</u>	<u>17,817,780</u>	<u>(19,686,802)</u>	<u>119,452</u>	<u>(2,112,000)</u>	<u>12,380,487</u>
<b>TOTAL FUNDS</b>	<u>17,115,226</u>	<u>18,208,569</u>	<u>(20,173,200)</u>	<u>-</u>	<u>(2,112,000)</u>	<u>13,038,595</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (CONTINUED)**

The specific purposes for which the funds are to be applied are as follows:

**Restricted funds**

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs.

Start up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

Pupil Premium - Pupil Premium represents funding received from the ESFA for children that have met the criteria set out by the ESFA to enable the Trust to address the current underlying inequalities between those children and their wealthier peers.

Other Government Grants - Income which has been received for specific purposes.

Free School Meals - Income received for the provision of free school meals.

Educational trips - This represents restricted income received for the provision of educational trips for students.

High Needs Funding - This represents restricted income received for the provision of educational support for high needs students.

Other income - This represents income which has been received for a specific purpose.

NEF funding - This represents income received from the Local Authority to be used for specific purposes.

Pension reserve - This represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme.

**Fixed asset funds**

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion.

Fixed assets transferred on entry to the MAT - This represents the buildings and equipment owned by Academies joining the Multi Academy Trust.

DfE/ESFA Capital grants - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Trust's assets.

Condition Improvement Fund (CIF) - This represents funding from the ESFA for specific capital projects.

Fixed asset donations - This represents fixed assets donated to the Multi Academy Trust.

Fixed assets purchased from GAG - This represents capital spend using revenue reserves of the Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Burford Church of England Primary School	59,921	45,497
Bitterley Church of England Primary School	(20,719)	7,667
St Michael's Church of England Primary School	169,252	141,147
Burley Gate Church of England Primary School	166,322	140,964
Central	(166,916)	(117,034)
Ludlow Church of England School	(47,732)	146,506
Ludlow Primary School	166,981	152,732
Morville Church of England Primary School	51,868	48,544
St Thomas Cantilupe Church of England Academy	100,630	158,988
Tenbury Church of England Primary School	70,853	66,084
The Hereford Academy	(245,518)	(228,260)
Bishop's Castle Primary School	52,721	13,235
Conover Church of England Primary School	77,268	96,871
St Edward's Church of England Primary School	121,179	42,030
St George's Church of England Academy Clun	56,780	76,868
Eastnor Parochial Primary School	45,218	81,330
Total before fixed asset funds and pension reserve	<b>658,108</b>	873,169
Restricted fixed asset fund	<b>26,515,487</b>	27,495,057
Pension reserve	<b>(14,135,000)</b>	(11,253,000)
<b>TOTAL</b>	<b>13,038,595</b>	17,115,226

On 1 September 2019 Ludlow Infant and Nursery School joined Ludlow Junior School to become Ludlow Primary School. As a result there are no funds shown for Ludlow Infant and Nursery School or Ludlow Junior School in the current or previous year. Funds for each school have been combined and are now shown as Ludlow Primary School.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. STATEMENT OF FUNDS (CONTINUED)**

The following academies are carrying a net deficit on their portion of the funds as follows:

	<b>Deficit £</b>
Bitterley Church of England Primary School	<b>20,719</b>
Ludlow Church of England School	<b>47,732</b>
The Hereford Academy	<b>245,518</b>
Central	<b>166,916</b>

The Academy Trust is taking the following action to return the academies to surplus:

Bitterley Church of England Primary School - experienced a high level of SEN demands during 2019-20, and due to this employed a higher level of TA's in order to support their provision. The academy are aware that this has resulted in an overall deficit, and are working with the central finance team to ensure that they return to a surplus within three years.

Central - now have a deficit of £166,916, of which the biggest contributing factor was the building work that took place at LCE. As per communications with the ESFA and DfE, included in the 18-19 accounts, DHMAT were requested to fund this project by £420,000 from Reserves. The additional deficit was caused by extra costs to fully equip the new building, and support for those academies within the Trust who were in Special Measures. The Central function supported an overhaul of teaching and learning at St Thomas Cantilupe in particular, and additional support at The Hereford Academy.

The Hereford Academy - have a deficit of £245,518 at the end of the year 2019-20. In 20/21 additionally cost saving measures have been implemented as outlined in the BFRO. These measures are expected to return the a surplus position within five years.

Ludlow Church of England School - The deficit at LCE was declared to both the DHMAT Board and the ESFA in the financial year 2018-19, and is the result of a staffing structure which has a high retention rate, and low turnover. After several years of reducing costs, the timetable and curriculum is now being reviewed, and there are planned reductions over the coming years. As with THA, the BFRO that was presented in September 2020 shows LCE returning to a surplus position within five years.

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**21. STATEMENT OF FUNDS (CONTINUED)**

**TOTAL COST ANALYSIS BY ACADEMY**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Burford Church of England Primary School	446,806	69,269	9,586	132,137	<b>657,798</b>	633,760
Bitterley Church of England Primary School	376,065	90,488	7,762	85,141	<b>559,456</b>	563,326
St Michael's Church of England Primary School	292,823	56,593	10,546	111,715	<b>471,677</b>	428,206
Burley Gate Church of England Primary School	306,074	67,731	10,096	77,854	<b>461,755</b>	428,739
Central	-	430,937	-	899,027	<b>1,329,964</b>	1,752,730
Ludlow Church of England School	2,583,294	391,427	87,582	525,650	<b>3,587,953</b>	3,538,964
Ludlow Primary School	1,371,475	278,064	34,427	386,919	<b>2,070,885</b>	2,164,855
Morville Church of England Primary School	170,357	34,147	2,460	81,528	<b>288,492</b>	247,053
St Thomas Cantilupe Church of England Academy	836,338	102,596	14,575	230,742	<b>1,184,251</b>	1,095,204
Tenbury Church of England Primary School	685,444	118,966	1,220	135,900	<b>941,530</b>	904,920
The Hereford Academy	2,411,396	593,442	108,631	840,755	<b>3,954,224</b>	4,021,538
Bishop's Castle Primary School	477,093	60,622	7,931	122,063	<b>667,709</b>	651,533
Condover Church of England Primary School	483,366	94,815	9,642	112,474	<b>700,297</b>	728,321

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**21. STATEMENT OF FUNDS (CONTINUED)**

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
St Edward's Church of England Primary School	180,748	44,283	3,602	30,639	<b>259,272</b>	277,395
St George's Church of England Academy Clun	257,815	66,947	10,165	144,416	<b>479,343</b>	453,619
Eastnor Parochial Primary School	314,625	36,081	16,531	104,208	<b>471,445</b>	388,618
<b>ACADEMY TRUST</b>	<u>11,193,719</u>	<u>2,536,408</u>	<u>334,756</u>	<u>4,021,168</u>	<u><b>18,086,051</b></u>	<u>18,278,781</u>

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**21. STATEMENT OF FUNDS (CONTINUED)**

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>					
General Funds - all funds	828,610	912,039	(867,480)	-	873,169
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	453,288	14,150,878	(14,604,166)	-	-
Other DfE/ESFA Grants	-	832,093	(832,093)	-	-
Other Restricted Funds	-	241,067	(241,067)	-	-
High Needs Funding	-	408,849	(408,849)	-	-
Other Government Grants	73,000	447,301	(520,301)	-	-
Educational trips	-	68,871	(68,871)	-	-
Other income	104,122	456,846	(560,968)	-	-
NEF funding	-	306,500	(306,500)	-	-
Pension reserve	(7,344,000)	(52,000)	(720,000)	(3,137,000)	(11,253,000)
	<u>(6,713,590)</u>	<u>16,860,405</u>	<u>(18,262,815)</u>	<u>(3,137,000)</u>	<u>(11,253,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Fixed assets transferred on conversion	4,596,566	-	(112,450)	-	4,484,116
Fixed assets transferred on entry to the MAT	20,292,303	-	(496,428)	-	19,795,875
DfE/ESFA Capital grants	278,240	525,575	(6,807)	-	797,008
Devolved Form Capital	215,069	-	(5,261)	-	209,808
CIF	282,348	1,730,755	(6,907)	-	2,006,196
Fixed asset donations	5,190	-	(127)	-	5,063
Fixed assets purchased from GAG	201,931	-	(4,940)	-	196,991
	<u>25,871,647</u>	<u>2,256,330</u>	<u>(632,920)</u>	<u>-</u>	<u>27,495,057</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>19,158,057</u>	<u>19,116,735</u>	<u>(18,895,735)</u>	<u>(3,137,000)</u>	<u>16,242,057</u>
<b>TOTAL FUNDS</b>	<u>19,986,667</u>	<u>20,028,774</u>	<u>(19,763,215)</u>	<u>(3,137,000)</u>	<u>17,115,226</u>

NOTES TO THE FINANCIAL STATEMENTS  
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	26,251,497	<b>26,251,497</b>
Current assets	658,108	1,484,772	263,990	<b>2,406,870</b>
Creditors due within one year	-	(984,004)	-	<b>(984,004)</b>
Creditors due in more than one year	-	(500,768)	-	<b>(500,768)</b>
Provisions for liabilities and charges	-	(14,135,000)	-	<b>(14,135,000)</b>
<b>TOTAL</b>	<b>658,108</b>	<b>(14,135,000)</b>	<b>26,515,487</b>	<b>13,038,595</b>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	25,151,269	25,151,269
Current assets	873,169	1,204,345	2,343,788	4,421,302
Creditors due within one year	-	(1,069,345)	-	(1,069,345)
Creditors due in more than one year	-	(135,000)	-	(135,000)
Provisions for liabilities and charges	-	(11,253,000)	-	(11,253,000)
<b>TOTAL</b>	<b>873,169</b>	<b>(11,253,000)</b>	<b>27,495,057</b>	<b>17,115,226</b>

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**23. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	<b>(1,964,631)</b>	265,559
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>1,317,149</b>	632,920
Loss on disposal of fixed assets	-	1,205
Capital grants from DfE and Other Capital Income	<b>(337,579)</b>	(2,256,330)
Defined benefit pension scheme obligation inherited	-	52,000
Defined benefit pension scheme cost less contributions payable	<b>465,000</b>	506,000
Defined benefit pension scheme finance cost	<b>305,000</b>	214,000
Decrease/(increase) in stocks	-	(2,001)
Decrease/(increase) in debtors	<b>1,523,755</b>	(1,883,653)
(Decrease)/increase in creditors	<b>(127,341)</b>	365,253
Interest received	<b>(1,086)</b>	(996)
Net assets transferred on conversion	-	(104,994)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>1,180,267</b>	<b>(2,211,037)</b>

**24. CASH FLOWS FROM FINANCING ACTIVITIES**

	Group 2020 £	Group 2019 £
Cash inflows from new borrowing	<b>407,768</b>	150,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>407,768</b>	150,000

**25. CASH FLOWS FROM INVESTING ACTIVITIES**

	Group 2020 £	Group 2019 £
Interest received	<b>1,086</b>	996
Purchase of tangible fixed assets	<b>(2,417,377)</b>	(139,968)
Capital grants from DfE Group	<b>337,579</b>	2,256,330
Cash transferred on conversion to an Academy Trust	-	104,994
<b>NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES</b>	<b>(2,078,712)</b>	2,222,352

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**26. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Cash in hand	<b>1,697,025</b>	2,187,702
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b><u>1,697,025</u></b>	<b><u>2,187,702</u></b>

**27. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 September 2019 £</b>	<b>Cash flows £</b>	<b>Other non- cash changes £</b>	<b>At 31 August 2020 £</b>
Cash at bank and in hand	2,187,702	(490,677)	-	1,697,025
Debt due within 1 year	(15,000)	(57,000)	15,000	(57,000)
Debt due after 1 year	(135,000)	(380,768)	15,000	(500,768)
	<b><u>2,037,702</u></b>	<b><u>(928,445)</u></b>	<b><u>30,000</u></b>	<b><u>1,139,257</u></b>

**28. CAPITAL COMMITMENTS**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Trust 2020 £</b>	<b>Trust 2019 £</b>
<b>CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS</b>				
Acquisition of tangible fixed assets	-	2,047,116	-	2,047,116
Repairs, maintenance or enhancements to tangible fixed assets	-	132,378	-	132,378
	<b><u>-</u></b>	<b><u>2,179,494</u></b>	<b><u>-</u></b>	<b><u>2,179,494</u></b>

The capital commitment relates to the replacement of B block and the reconfiguration of existing classrooms at Ludlow Secondary School.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**29. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council and Shropshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**TEACHERS' PENSION SCHEME**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**VALUATION OF THE TEACHERS' PENSION SCHEME**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,513,283 (2019 - £705,127).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**29. PENSION COMMITMENTS (CONTINUED)**

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,112,000 (2019 - £1,069,000), of which employer's contributions totalled £921,000 (2019 - £861,000) and employees' contributions totalled £ 191,000 (2019 - £208,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal actuarial assumptions**

	<b>2020</b>	2019
	%	%
Rate of increase in salaries	<b>3.7</b>	3.6
Rate of increase for pensions in payment/inflation	<b>2.4</b>	2.2
Discount rate for scheme liabilities	<b>2.3</b>	1.8
Inflation assumption (CPI)	<b>1.8</b>	2.1

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2020</b>	2019
	Years	Years
<i>Retiring today:</i>		
Males	<b>22.9</b>	23.0
Females	<b>25.0</b>	26.2
<i>Retiring in 20 years:</i>		
Males	<b>24.2</b>	25.3
Females	<b>26.6</b>	28.5

**Sensitivity analysis**

	<b>2020</b>	2019
	£000	£000
Discount rate +0.1%	<b>804</b>	605
Mortality assumption - 1 year increase	<b>866</b>	642
CPI rate +0.1%	<b>856</b>	646
Pay growth +0.1%	<b>834</b>	629

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**29. PENSION COMMITMENTS (CONTINUED)**

The Group's share of the assets in the scheme was:

	2020 £	2019 £
Equities	4,363,000	3,632,000
Bonds	1,232,000	929,000
Property	365,000	317,000
Cash and other liquid assets	234,000	142,000
Other	1,318,000	809,000
<b>Total market value of assets</b>	<b>7,512,000</b>	<b>5,829,000</b>

The actual return on scheme assets was £86,000 (2019 - £203,000).

The amounts recognised in the Consolidated statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(1,320,000)	(1,073,000)
Past service cost	(305,000)	(294,000)
Interest income	95,000	128,000
Interest cost	(159,000)	(342,000)
<b>Total amount recognised in the consolidated statement of financial activities</b>	<b>(1,689,000)</b>	<b>(1,581,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
<b>AT 1 SEPTEMBER</b>	<b>17,082,000</b>	<b>11,947,000</b>
Conversion of Academy	-	52,000
Current service cost	1,320,000	1,073,000
Interest cost	305,000	342,000
Employee contributions	191,000	208,000
Actuarial gains	3,017,000	3,201,000
Benefits paid	(403,000)	(35,000)
Losses on curtailments	(2,000)	-
Past service cost	159,000	294,000
<b>AT 31 AUGUST</b>	<b>21,669,000</b>	<b>17,082,000</b>

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**29. PENSION COMMITMENTS (CONTINUED)**

Changes in the fair value of the Group's share of scheme assets were as follows:

	<b>2020</b>	2019
	£	£
<b>AT 1 SEPTEMBER</b>	<b>5,829,000</b>	4,603,000
Interest income	<b>111,000</b>	146,000
Actuarial gains	<b>905,000</b>	64,000
Employer contributions	<b>921,000</b>	861,000
Employee contributions	<b>191,000</b>	208,000
Benefits paid	<b>(403,000)</b>	(35,000)
Administration expenses	<b>(16,000)</b>	(18,000)
<b>AT 31 AUGUST</b>	<b>7,538,000</b>	5,829,000

**30. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	Group	<b>Trust</b>	Trust
	<b>2020</b>	2019	<b>2020</b>	2019
	£	£	£	£
Not later than 1 year	<b>35,190</b>	38,835	<b>35,190</b>	36,914
Later than 1 year and not later than 5 years	<b>70,321</b>	93,646	<b>70,321</b>	93,646
	<b>105,511</b>	132,481	<b>105,511</b>	130,560

**31. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**32. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year purchases were made from Dove House Consultancy Limited, of which D Lewis is a Director, totalling £80,559 (2019: £Nil) There was a balance of £Nil outstanding at the year-end (2019: £Ni).

Also during the year, sales totalling £51,197 were made to The Hereford Diocesan Board of Education, of which A Teale holds a common directorship (2019: £17,065). There was no balance outstanding at the year-end (2019: £Nil)

**33. AGENCY ARRANGEMENTS**

There were no agency arrangements during the year (2019: £4053)

**34. GENERAL INFORMATION**

Diocese of Hereford Multi Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Unit 11, The Business Quarter, Sheet Road, Ludlow, Shropshire, SY8 1FD.