

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Pratley W Finn F Gibson Diocese of Hereford Educational Trust
Directors	W Finn, Chair of Directors A Teale, Chief Executive R Pizii M Simmons K Skerrett A Smith C Watson (resigned 31 October 2022) S Brown G Ewing (resigned 2 February 2023) M Beever (appointed 7 June 2023) M Laird (appointed 7 June 2023)
Company registered number	08762217
Company name	Diocese of Hereford Multi Academy Trust
Principal and registered office	Unit 11 The Business Quarter Sheet Road Ludlow SY8 1FD
Accounting Officer	A Teale
Senior management team	A Teale, Chief Executive Officer G Evans, Chief Finance Officer P Poulton, Director of Operations
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 School
Eastnor Parochial 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

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Directors, who are also Trustees, present the annual report together with the financial statements and auditor's report of the Charitable Company for the year end 31 August 2023. 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 3,052, including nursery, in the school census on 1 October 2022.

Comments from the Board of Directors

These comments are from the Board's strategic perspective and are to be read in conjunction with the CEO's report.

The academic year 2022-23 was another difficult one for education but one in which the Board is pleased to note significant progress across the Trust. We would particularly highlight the following achievements, many of which are still underway and will benefit from further development:

External evaluation continues to demonstrate the Trust is succeeding in its primary objective to improve the quality of education offered in each of its schools.

Two OFSTED inspections during the academic year (and two at the start of 2023-24) have all shown good progress vs. previous inspections. In every case the schools were judged to be good in all areas with commendations for the impact made by the trust. As indicated in the CEO's report, the overview of where our schools are now vs. where they were at the start of the Trust's reformation in January 2019, shows a very significant degree of improvement. As a Board we are delighted to have lifted all the schools which had been placed into special measures under the previous Trust out of that category. Furthermore, the Board knows that schools which have not been recently inspected continue to strengthen their provision. The availability of objective results data for this academic year, has shown how well our primary schools have performed against national benchmarks. Our secondary schools have improved significantly on previous years, although we acknowledge that continued improvement is still needed.

The Trust now has in place an established 'School Matrix' which gives the Board an overview of the performance of each school across detailed criteria and enables us both to see areas of concern, where improvement is needed, and areas of high performance which can be shared across the entire Trust.

This academic year has seen a number of changes at school leadership level and the Board is pleased to note that our cohort of school Heads is now considered a Trust strength with no further areas of concern. Particularly important is the way in which existing Heads and Deputies have stepped up to become Executive Heads and Heads of School, showing a clear early pathway to talent development and succession planning. We have strong and stable leadership in place in all schools. We have been able to recruit a very experienced new Headteacher for one of our secondary schools, whose Headteacher is set to retire at the end of 2023. Critical to this process has been the high degree of personal support invested in new leaders by other experienced Heads within the Trust, and we wish to develop this into an area of outstanding strength over the next few years.

Within the central team we have been able to increase the strength of our service to schools via the appointment of a new Estates Manager, a full-time post, filled after a competitive interview process. This move is working and has led to increased capacity, focus and support for schools in all aspects of land and buildings work.

The Board has been very supportive of the continued development of a Senior Leadership Team to support the CEO. Both Deputies remain in post as Heads of their respective schools, but this move helps with succession planning and the quality of experience offered to each of our schools. The Board wants to see the further imbedding and expansion of our Executive Leadership Team (comprising our most experienced heads and central officers) who are at the heart of our rapidly developing collegiate style of leadership: a future core strength for the Trust.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Our governance has improved at board level by the welcome addition of Mr Matthew Laird, an army logistics officer, and by Mrs Margaret Beever, a former engineer, both of whom have already made their expertise felt in their first board meetings. Improvements in our school governance have also been clear throughout this year, with a good balance of Local Academy Boards and Strategic Task Groups according to the needs of each school. The relationship between the Board and local governance has also improved with more frequent and shared meetings of chairs.

The Board is also aware of several areas where the Trust still needs to improve:

As indicated above the turnaround is impressive and essentially complete. The Board is delighted with progress here. However, it leaves us with 13 schools rated Good, one Outstanding and one Requires Improvement. We have 5 new primary schools who we expect will join us in the spring of 2023. Our Trust is now a growing family of schools.

At governance level we are keen to further develop our abilities at Board level to add more value in finance and the continued development of our distinctive Christian ethos, and would like to make specific progress in these areas. The Board itself could also expand and increase its diversity to ensure even stronger governance.

Our finances, while now much stronger thanks to management improvements and to a degree of higher funding, nevertheless require strengthening. This strengthening is required to attain reserve levels in line with government guidelines and to further improve the degree of central support the trust can offer its schools. We have benefitted from a second SRMA review of our finances this year, and while there was some double counting in their recommendations, it is clear that we could be more efficient, particularly in curriculum development and associated staffing at both senior schools.

While improvements in efficiency will be made, it is clear to the Board that the Trust needs to expand in order to reach a critical mass that will allow us to offer the level of service and support we want to our schools, and that the Trust is now strong enough and ready to offer a high degree of service to new schools. While we are early in this process, the Board is pleased with the actions taken by the CEO and his team and the way he keeps us informed and asks for our guidance on handling this critical strategic issue. It has been helpful to have the Chair, CEO and two of our Heads become members of the Diocesan Board of Education.

The Board would like to express their thanks and congratulations to the CEO and his team, and to the ELT and all our school leaders for a very strong year.

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 change 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 to 2.

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

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 DHMAT. 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 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. The Board as of 31 August 2023 consist of:

W Finn	Non-Executive Director - Chair
A Smith	Non-Executive Director – Vice Chair
A Teale	Chief Executive Officer
M Simmons	Non-Executive Director
R Pizii	Non-Executive Director
K Skerrett	Co-Opted Non-Executive Director
S Brown	Non-Executive Director
M Beever	Non-Executive Director
M Laird	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 one or two 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.

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**DIRECTORS' REPORT (CONTINUED)
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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.

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)/Strategic Task Group (STGs). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels 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 covers 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.

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.

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)/Strategic Task Group (STG) 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.

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Provided that there is a majority of DHMAT appointed Foundation governors, the LABs/STGs 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 DHMAT 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.

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	£14,290,127
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.

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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 personally 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. The Trust re-tendered its external audit services during 22-23. Bishop Fleming LLP was retained following a competitive tendering process.

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

A Light of Grace – The Parable of the Two Sons

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.

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 continue 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:

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FOR THE YEAR ENDED 31 AUGUST 2023**

- 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.

Our trust'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 our trust 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.

At DHMAT we aim to achieve the best for, and from each child. We enable each child to realise his or her full academic, creative, and physical potential and to develop positive social and moral values. Our 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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:

- Curriculum development and subject leadership
- Building maintenance projects including LED lighting installation
- Development of a new websites to support communication
- Development and embedding of key financial and administrative procedures
- Appointment of new CFO

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.

STRATEGIC REPORT

Achievement and Performance

It has been a year of further uncertainty and challenge, but has also brought some milestone achievements for the Diocese of Hereford MAT. It has seen continue the transition from a recovery phase (which began in Jan 2019) to a new chapter of growth and development of a much stronger and high performing trust.

At the start of 2019, we had three schools in special measures. By September 2023, we had none and therefore no CE schools in special measures in the whole of the Hereford Diocese. The Hereford Academy achieved the first outstanding OfSTED judgment in its history (Personal Development) and St Thomas Cantilupe CE Primary was the first school to secure a 'good' judgement for Quality of Education and Overall Effectiveness since the pandemic suspension of OfSTED inspections. These two schools along with Ludlow Primary are now exemplars of best practice for the trust and beyond.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

By the summer of 2022 all 15 of our schools had been awarded (at least) a good judgment from OfSTED for Leadership and Management, Behaviour and Personal Development.

By November 2023, 10 of our 15 schools had received at least one OfSTED inspection since January 2019. Every school had either retained its positive judgements (good schools) or improved upon previous weaker judgments.

Two of our Church of England Schools received SIAMs inspections in the spring term of 2023. The Hereford Academy improved from satisfactory (under the previous inspection framework) to 'good' in all areas. Tenbury CE Primary achieved the highest possible judgment of 'excellent' in all areas. Graded SIAMs inspections came to an end in July 2023 by which time all but one of our schools were at good or excellent. St Edwards CE Primary has not been reinspected since Sept 2017 when it was judged as 'satisfactory'. It will be reinspected under the new framework in the coming years.

Major achievements in last 12 months

- The Hereford CE Academy achieving 'good' in all areas of its SIAMs inspection, moving up from its previous 'satisfactory' grading.
- Tenbury CE Primary achieving 'excellent' in all areas of the SIAMs inspection completed in March 2023.
- St Georges CE Primary, Clun- Awarded an OfSTED judgment of 'good' for overall effectiveness - Sept 2022 and a rating of good in Quality of Education, Behaviour, Personal Devt & Wellbeing and Leadership & Management. NOR now on the increase and the school has moved from three to four classes.
- Morville CE Primary - Awarded an OfSTED judgment of 'good' for Overall Effectiveness in May 2023 as well as a rating of good in Quality of Education, Behaviour, Personal Devt & Wellbeing and Leadership & Management. NOR now on the increase.
- Strong leadership in place at Bishop's Castle Primary since Sept 2022. A steep improvement journey has taken place since the ungraded OfSTED inspection which took place just a few days later. A second OfSTED inspection in Oct 2023 was very strong with judgments of 'good' for Overall Effectiveness as well as a rating of good in Quality of Education, Behaviour, Personal Devt & Wellbeing and Leadership & Management.
- Strong leadership now in place at Bitterley CE Primary since Sept 2022 with a new Head of School in place since Sept 2023. A steep improvement journey has taken place since the significant changes to leadership took place during the pandemic. An OfSTED inspection in Oct 2023 was very strong with judgments of 'good' for Overall Effectiveness as well as a rating of good in Quality of Education, Behaviour, Personal Devt & Wellbeing and Leadership & Management.
- Recruited new DHMAT board members (experienced army logistics officer and former engineer)
- New full-time Estates Manager appointment for DHMAT.
- Increased central staffing capacity on school improvement and safeguarding
- Continued development of effective Executive Leadership Team. Still developing and will continue to do so but has significantly grown our leadership capacity.
- Lots of strong staff appointments at headship and general teaching levels in key schools – New headteacher appointed for Ludlow CE School who will take up post in January 2024 following the retirement of the current headteacher.
- Guidance and policy document in academisation published. Developing and supporting diocesan approach to an increasingly academised system.
- Significant improvement in relationships with local governing bodies STGs – Finance and Resources Steering Group now working well.
- Improved reputation – locally, regionally (Regional Director), nationally (Church) (E.g. asked to support CE Foundation for Educational Leadership's 'Flourishing Trusts' National Network).
- DHMAT continues as Regional Delivery Partner for National Professional Qualification training with the CE Foundation for Educational Leadership.
- Moved into new phase of trust growth and development. 5 new primaries joining in spring 2024 with a further tranche expected in September 2024.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- Our national results for primary schools were strong compared with national averages. We showed significant strength in phonics results following the implementation of a new phonics programme in almost all primary schools.
- Our progress 8 score at one of our secondary schools was the highest it has been for many years.

Ongoing challenges

- Our biggest challenge currently seems to be the recruitment of staff, especially in our secondary schools and especially in science, maths and modern foreign languages.
- We want to continue to grow DHMAT capacity to support schools with a stronger staffing structure and larger central team, but we lack the resources to go ahead as quickly as we would ideally like.
- There are lots of small rural primary schools in our region but few larger schools. We would like to maintain the current balance of larger and smaller schools so that we can continue to build strong support structures for all schools.
- We want to create rich curriculum opportunities that schools can't do alone, but cost is always a barrier. Music festivals and concerts. Theatre performances. DHMAT wide sporting opportunities and experiences. Great aspirations for us but hard to realise because of financial and staffing capacity challenges. We are holding our first 'whole trust' Advent Carol Service in late November 2023 with a choir of over 300 children from across the trust.
- Continued development of governance model especially within the local layer. Strategic Task Group model has proved very effective as well as time-efficient but is difficult to up-scale to much larger numbers of schools.
- We need to see continued improvements in GCSE results.

Key Next Steps

- In the Hereford Diocese, DHMAT will become an increasingly central part of the strategy of moving more schools into multi-academy trusts. We are aiming to at least double the number of DHMAT pupils in the coming years.
- Continuing our journey towards being a strong multi-academy trust, as the government makes clear the detail of what that term actually means and as the education system reforms around us.
- Onboarding new schools. This will be an 8 to 10-year process and there are still questions around the route for small and vulnerable schools.
- Growing central capacity for support and development.
- Stronger systems of monitoring and support leading to better quality assurance in all 15 academies as well as those 5 we expect to join in spring 2023.
- Increasing alignment across schools on contracts and services in order to increase efficiency and to enable us to do more.

Conclusion

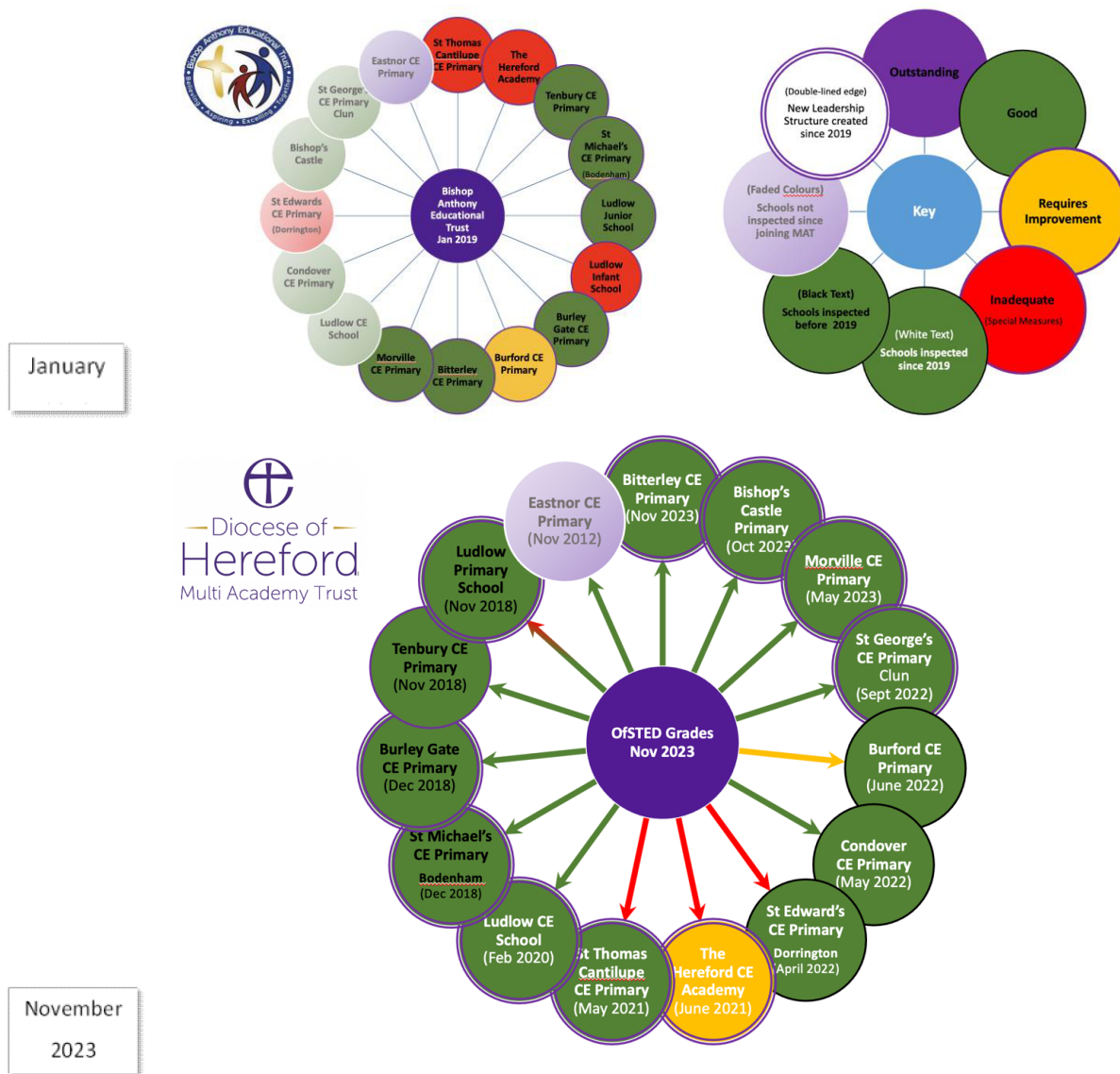
Thank you to the members and directors of DHMAT who have supported the complex journey so far and especially through these challenging, recent years. Your input has been instrumental in securing the progress achieved and the difference we have made to headteachers, schools, families and to the education and life chances of each individual child.

"That they might have life in all its fulness."

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

Inspections

Academy OfSTED Grading Transformation - January 2019 to Nov 2023



In **July 2021**, **The Hereford CE Academy** has a section 5 OfSTED and came out of special measures. We secured a good judgement for **behaviour** and for **leadership & management**. **Personal development** was judged to be outstanding. **Quality of Education** almost crossed the threshold to be judged as good but in the end moved up from inadequate to 'requires improvement' meaning that '**overall effectiveness**' was also judged as 'requires improvement'.

Since the reformation of our trust in January 2019, 10 of our schools have been inspected by OfSTED at least once. Each one has either retained their judgement (good schools) or improved their OfSTED grading. All our schools now have at least good for leadership and management, behaviour and personal development. We have lifted three out of special measures in that time.

OfSTED Report Comments on Trust Impact (2021 to 2023)

'The trust has provided significant support to the school which has been instrumental in driving forward improvements at a rapid pace. Through working with other schools in the trust, teachers at Bitterley have been able to develop their practice very well.'

Bitterley CE Primary School – Autumn 2023



The work of school and trust leaders to improve the school has been highly effective. In a short space of time, leaders have addressed weaknesses and are building on their many strengths.

Bitterley CE Primary School – Autumn 2023

'Trustees hold leaders to account well. Members of the local academy board visit regularly. Consequently, they know the school well and have a clear view of its strengths and next steps.'

Morville CE Primary School – Summer 2023

'The multi-academy trust that runs the school has provided effective support.'

St Georges CE Primary Clun – Autumn 2022

'Over the last year, the multi-academy trust has taken decisive action to strengthen the governance of the school. It has coordinated effective support from other schools in the trust.'

Bishop's Castle Primary – Autumn 2022

'Leaders from the Diocese of Hereford multi-academy trust (DHMAT) provide strong governance and support for school leaders. Trust governors keep a close eye on the quality of education. The trust provides access to networks and professional mentors which is valued by leaders.'

Burford CE Primary – Summer 2022

'Governors know the school well. The school also receives good support from the trust.'

Condoover CE Primary – Summer 2022

'Governance is strong. Trustees and members of the local academy board closely monitor the school. They have a clear and accurate view of the school.'

St Edwards CE Primary (Dorrington) – Summer 2022

'The Diocese of Hereford Multi-Academy Trust (DHMAT) and the school's governors have played a full part in the school's recent improvement. They are committed to the school. They provide effective support and challenge to its leaders.'

The Hereford CE Academy (Secondary) – Summer 2021

'Parents and carers are overwhelmingly positive about the changes that have taken place. A typical comment sums up the views of many: 'The school has changed dramatically for the better under the new leadership. The expectations are so much higher now.'

St Thomas Cantilupe CE Primary – Summer 2021

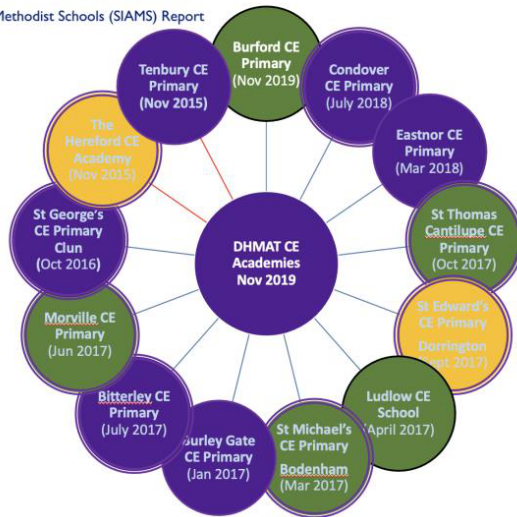


Statutory Inspection of Anglican and Methodist Schools (SIAMS) Report

Academy SIAMS Grading Transformation

January 2019 to July 2023 (when graded SIAMS inspections ceased)

THE CHURCH OF ENGLAND EDUCATION OFFICE
The Methodist Church
Statutory Inspection of Anglican and Methodist Schools (SIAMS) Report



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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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, £743,300 was carried forward representing 4.9% of GAG.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2023 this was 98% compared to 101% in 2022.

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

	Target at 1/9/22	Actual at 31/8/23
GAG carry forward	>1.5%	4.9%
Student attendance	>95.0%	92.85%
Staff costs to GAG	<90.0%	97.7%

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 2023 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 2023, DHMAT received total income of £21,037k and incurred total expenditure of £22,414k. The excess of expenditure over income for the year was £1,377k.

At 31 August 2023 the net book value of fixed assts was £22,009k and movements in tangible fixed assets are show 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 26 to the financial statements.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Reserves Policy

Following a review of MAT best practice in reserves policy the Directors moved to a % of income metric for 22-23. A minimum of 4% of income is the core target with a stretch target of 7% to allow for further resilience and project development for schools and the central team.

For 22-23 the Trust has made good progress towards the required minimum level, and this is expected to be achieved in 23-24. At 31 August 2023, free reserves stood at 3.5% (2022: 3.5%).

Directors will continue to 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 central finance team 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 98.97% 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Fraud and mismanagement of funds – DHMAT has appointed Internal Auditors 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.

Cyber-crime is a growing risk for all organisations and DHMAT have put some additional safeguards in place, however the risks remain considerable. The Trust plan to develop its ICT strategy over 23-24.

Estates management – the Directors are responsible for ensuring that the Trust's estate is safe, well maintained, and complies with relevant legislation. As such, the estates risks are managed via the Estates Team and are the responsibility of the Estates Manager. Estates risks are documented on the Trust's risk register which is regularly reviewed by the board.

The top estates risks are:

- Buildings being unsafe for occupation
- Lack of oversight on health and safety risks

As part of estates risk management, each individual risk is mitigated with a set of controls, which in turn lower the risk and/or lower the impact.

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 Directors have 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 Finance & Resources Committee meetings. The Directors also regularly review balance sheet 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 26 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.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2023	Current reporting year 2022/23	Comparison reporting year 2021/22 (figures are for illustrative purposes)
Energy consumption used to calculate emissions (kWh)	3,627,338	3,923,489
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	476.326	403.044
Kerosene consumption	89.484	84.970
Owned transport	1.76	2.78
Total Scope 1	567.57	490.80
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	317.517	360.497
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned vehicles	0.59	5.19
Total gross emissions in metric tonnes CO ₂ e	885.68	856.48
Intensity ratio Tonnes CO ₂ e per pupil	0.303	0.284

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 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- Head office are continuing use of remote meetings, with a significant reduction in travel. Also operating hybrid working, office only open 3 days per week, adjusted heating to reflect this.
- All schools are reducing travel by continuing with Zoom/Team calls
- Several school have benefited through the use of LED lighting which has reduced energy usage and costs.
- Light sensors in new toilets and flow water saving in boys toilets at Bitterley Primary School
- New roof & insulation at Condover Primary School, Morville Primary School Tenbury Primary School and Burley Gate
- Replacement windows and doors at Ludlow Primary School (both sites) and Bitterley

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

PLANS FOR FUTURE PERIODS

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

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.

In 2023-24 DHMAT will welcome 5 new schools into its family of schools. During the next 12 months DHMAT will further explore with ESFA and the Diocese of Hereford, the opportunities to extend the Trust to include further schools/academies in the region.

Next Steps

Our Executive Leadership Team involves all headteachers and senior support officers and meets termly. The team is now working together effectively and 4 specific workstream groups have been established to look at school effectiveness, workforce development, publicity & events and systems.

When SIAMs inspection resume, in the Autumn, it will be with a changed, nationally administered inspection process. Though there may be a backlog of over 40 schools in the diocese by then, we will have a number of DHMAT academies that will be due for inspection, and we intend to ensure they do well.

DHMAT Growth

We are delighted to be in a position where our family of schools can now grow. We expect to have 20 schools and 3,500 pupils by September 2024. We will continue to grow in the years beyond that as services from local authorities continue to diminish.

The Hereford Diocese is developing new guidance on academisation. In the Hereford Diocese, DHMAT will continue to be a central part of the education strategy to realise the Church of England's vision for education.

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
- 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 disabled people, for example, through achievement of the 'two ticks' award 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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- 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.

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 15 December 2023 and signed on the Board's behalf by:



W Finn
Chair of Directors



A Teale
Accounting Officer

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

The Board of Directors has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirement and responsibilities assigned to it in the funding agreement between DHMAT and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

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 meeting was as follows:

Director	Meetings attended	Out of a possible
A Smith	3	4
W Finn, Chair	3	4
A Teale	4	4
M Simmons	3	4
C Watson (resigned 31 October 2022)	1	1
R Pizii	4	4
K Skerrett	3	4
G Ewing (resigned 2 February 2023)	2	2
S Brown	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 at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
C Watson (resigned 31 October 2022)	0	0
A Teale	3	3
R Pizii	3	3
M Simmons	3	3
W Finn	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO has responsibility for ensure 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:

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- 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 ongoing process designed to identify and prioritise the risk to 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 2022 to 31 August 2023 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 risk 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 2022 to 31 August 2023 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 review by the Finance and Resource Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchases 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 have appointed Academy Advisory Service as internal auditors.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The internal 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.

The auditor reports to the Board of Directors through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of 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;

- The work of the internal and external auditors;
- The financial management and governance self-assessment process;
- 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 systems of internal control by the Audit and Risk Committee and a plan to address weakness and ensure continuous improvement of the systems in place.

Approved by order of the members of the Board of Directors on 15 December 2023 and signed on its behalf by



W Finn
Trustees



A Teale
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Diocese of Hereford Multi Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Directors 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 Academy Trust Handbook 2022.

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 Directors and ESFA.



A Teale
Accounting Officer
Date: 15 December 2023

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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 year. 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 2022 to 2023;
- 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 and signed on its behalf by:



W Finn
Chair of Trustees

Date: 15.12.2023

**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**

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 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance 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 2022 to 2023 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 2023 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 2022 to 2023 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**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 (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Directors' Responsibilities, 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Group's and of the parent Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Group's and of the parent Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's and of the parent Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Group and the parent Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Group and the parent Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Group and the parent Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Group and the parent Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academy Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's and of the parent Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**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 (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Directors and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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. 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: 21 December 2023

**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**

In accordance with the terms of our engagement letter dated 17 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

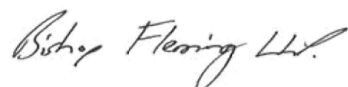
In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

**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)**

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 21 December 2023

**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 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:						
Donations and capital grants	3	129,937	441,541	780,932	1,352,410	1,224,545
Other trading activities	5	229,242	-	-	229,242	229,909
Investments	6	11,026	-	-	11,026	10,027
Charitable activities	4	146,022	19,298,336	-	19,444,358	18,065,776
TOTAL INCOME		516,227	19,739,877	780,932	21,037,036	19,530,257
EXPENDITURE ON:						
Charitable activities	8	739,860	19,570,868	2,103,650	22,414,378	21,794,842
TOTAL EXPENDITURE		739,860	19,570,868	2,103,650	22,414,378	21,794,842
NET (EXPENDITURE)/ INCOME		(223,633)	169,009	(1,322,718)	(1,377,342)	(2,264,585)
Transfers between funds	19	53,650	(53,650)	-	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(169,983)	115,359	(1,322,718)	(1,377,342)	(2,264,585)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains on defined benefit pension schemes	26	-	2,671,000	-	2,671,000	9,975,000
Pension surplus not recognised	26	-	(142,000)	-	(142,000)	-
NET MOVEMENT IN FUNDS		(169,983)	2,644,359	(1,322,718)	1,151,658	7,710,415
RECONCILIATION OF FUNDS:						
Total funds brought forward		169,983	(5,924,059)	24,083,580	18,329,504	10,619,089
Net movement in funds		(169,983)	2,644,359	(1,322,718)	1,151,658	7,710,415
TOTAL FUNDS CARRIED FORWARD		-	(3,279,700)	22,760,862	19,481,162	18,329,504

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

The notes on pages 38 to 69 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 2023**

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	14		22,008,870		23,806,003
CURRENT ASSETS					
Debtors	16	620,686		623,475	
Cash at bank and in hand		2,806,228		2,235,170	
		3,426,914		2,858,645	
Creditors: amounts falling due within one year	17		(1,396,136)		(1,246,018)
NET CURRENT ASSETS					
			2,030,778		1,612,627
TOTAL ASSETS LESS CURRENT LIABILITIES					
			24,039,648		25,418,630
Creditors: amounts falling due after more than one year	18		(535,486)		(661,126)
NET ASSETS EXCLUDING PENSION LIABILITY					
			23,504,162		24,757,504
Defined benefit pension scheme liability	26		(4,023,000)		(6,428,000)
TOTAL NET ASSETS					
			19,481,162		18,329,504
FUNDS OF THE ACADEMY TRUST					
RESTRICTED FUNDS:					
Fixed asset funds		22,760,862		24,083,580	
Restricted income funds		743,300		503,941	
		23,504,162		24,587,521	
Pension reserve			(4,023,000)		(6,428,000)
TOTAL RESTRICTED FUNDS					
	19		19,481,162		18,159,521
UNRESTRICTED INCOME FUNDS					
	19		-		169,983
TOTAL FUNDS					
			19,481,162		18,329,504

The financial statements on pages 34 to 69 were approved by the Directors, and authorised for issue on 15 December 2023 and are signed on their behalf, by:

W Finn
Chair of Trustees



The notes on pages 38 to 69 form part of these financial statements.

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

**ACADEMY TRUST STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	22,008,870	23,806,003
Investments	15	1	1
		22,008,871	23,806,004
CURRENT ASSETS			
Debtors	16	621,662	624,451
Cash at bank and in hand		2,806,228	2,235,170
		3,427,890	2,859,621
Creditors: amounts falling due within one year	17	(1,407,686)	(1,261,384)
NET CURRENT ASSETS		2,020,204	1,598,237
TOTAL ASSETS LESS CURRENT LIABILITIES		24,029,075	25,404,241
Creditors: amounts falling due after more than one year	18	(535,486)	(661,126)
NET ASSETS EXCLUDING PENSION LIABILITY		23,493,589	24,743,115
Defined benefit pension scheme liability	26	(4,023,000)	(6,428,000)
TOTAL NET ASSETS		19,470,589	18,315,115
FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS:			
Fixed asset funds	19	22,760,862	24,083,580
Restricted income funds	19	732,727	500,125
Restricted funds excluding pension liability	19	23,493,589	24,583,705
Pension reserve	19	(4,023,000)	(6,428,000)
TOTAL RESTRICTED FUNDS	19	19,470,589	18,155,705
Unrestricted funds	19	-	159,410
TOTAL FUNDS		19,470,589	18,315,115

The financial statements on pages 34 to 69 were approved by the Directors, and authorised for issue on 15 December 2023 and are signed on their behalf, by:

W Finn
Chair of Trustees



The notes on pages 38 to 69 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 2023**

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	21	177,182	(17,064)
CASH FLOWS FROM INVESTING ACTIVITIES	23	519,516	(276,732)
CASH FLOWS FROM FINANCING ACTIVITIES	22	(125,640)	264,989
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		571,058	(28,807)
Cash and cash equivalents at the beginning of the year		2,235,170	2,263,977
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	<u>2,806,228</u>	<u>2,235,170</u>

The notes on pages 38 to 69 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 2023**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Academy Trust 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.

• **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.

• **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. ACCOUNTING POLICIES (continued)

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 Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the 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 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.

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 buildings	- 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 Statement of Financial Activities.

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. ACCOUNTING POLICIES (continued)

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 Statement of Financial Activities.

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

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

1.13 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 Statement of Financial Activities 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.

1.14 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.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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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 makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease required the Academy 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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	129,937	441,541	-	571,478	652,569
Capital Grants	-	-	780,932	780,932	571,976
	<u>129,937</u>	<u>441,541</u>	<u>780,932</u>	<u>1,352,410</u>	<u>1,224,545</u>
TOTAL 2022	<u>209,888</u>	<u>442,681</u>	<u>571,976</u>	<u>1,224,545</u>	

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4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DFE/ESFA GRANTS				
General Annual Grant	-	15,148,010	15,148,010	14,440,141
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	859,504	859,504	835,115
Universal Infant Free School Meals	-	268,189	268,189	232,925
Teachers Pension grant	-	14,946	14,946	16,797
Teachers Pay grant	-	-	-	3,455
PE and Sports grant	-	222,537	222,537	222,280
Supplementary grant	-	452,121	452,121	188,383
Other DfE/ESFA grants	-	262,826	262,826	333,341
	-	17,228,133	17,228,133	16,272,437
OTHER GOVERNMENT GRANTS				
High Needs funding	-	352,749	352,749	402,241
Other government grants	-	1,506,380	1,506,380	1,048,968
	-	1,859,129	1,859,129	1,451,209
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	150,220	150,220	101,624
Other DfE/ESFA COVID-19 funding	-	-	-	19,900
	-	150,220	150,220	121,524
OTHER FUNDING				
Internal catering income	133,173	-	133,173	129,667
Sales to students	12,849	-	12,849	1,877
Other income	-	60,854	60,854	89,062
	146,022	60,854	206,876	220,606
	146,022	19,298,336	19,444,358	18,065,776
TOTAL 2022	131,544	17,934,232	18,065,776	

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FOR THE YEAR ENDED 31 AUGUST 2023**

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	118,585	118,585	136,441
External catering	110,657	110,657	93,468
	<u>229,242</u>	<u>229,242</u>	<u>229,909</u>

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	11,026	11,026	10,027
	<u>11,026</u>	<u>11,026</u>	<u>10,027</u>

7. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational activities:					
Direct costs	12,274,446	1,682,321	884,383	14,841,150	14,166,212
Support costs	2,768,201	1,805,588	2,999,439	7,573,228	7,628,630
	<u>15,042,647</u>	<u>3,487,909</u>	<u>3,883,822</u>	<u>22,414,378</u>	<u>21,794,842</u>
TOTAL 2022	<u>14,809,386</u>	<u>3,415,408</u>	<u>3,570,048</u>	<u>21,794,842</u>	

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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	14,841,150	7,573,228	22,414,378	21,794,842
TOTAL 2022	14,166,212	7,628,630	21,794,842	

ANALYSIS OF DIRECT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	95,000	92,000
Staff costs	12,043,651	11,704,285
Depreciation	1,682,321	1,525,135
Educational supplies	351,747	344,450
Examination fees	105,633	61,670
Staff development	63,718	50,319
Other costs	197,676	117,199
Supply teachers	230,795	206,277
Technology costs	70,609	64,877
	14,841,150	14,166,212

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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance cost	180,000	175,000
Staff costs	2,768,201	2,898,824
Depreciation	387,254	381,284
School fund expenditure	140,912	119,709
Recruitment and support	24,457	29,208
Maintenance of premises and equipment	380,058	352,424
Cleaning	375,268	334,665
Rent and rates	506,496	527,950
Energy costs	388,569	312,912
Insurance	155,197	188,297
Security and transport	73,278	56,942
Catering	573,718	546,363
Technology costs	442,005	404,431
Office overheads	164,505	155,965
Professional services	991,097	1,128,174
Bank interest and charges	13,704	14,915
Legal costs	8,509	1,567
	<u>7,573,228</u>	<u>7,628,630</u>

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Operating lease rentals	35,190	35,190
Depreciation of tangible fixed assets	2,069,575	1,906,419
Fees paid to auditors for:		
- audit	36,490	32,190
- other services	5,175	5,335
	<u>2,116,330</u>	<u>1,949,934</u>

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10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Wages and salaries	11,234,594	10,544,460	11,234,594	10,544,460
Social security costs	1,069,440	997,672	1,069,440	997,672
Pension costs	2,507,818	3,060,977	2,507,818	3,060,977
	14,811,852	14,603,109	14,811,852	14,603,109
Agency staff costs	230,795	206,277	230,795	206,277
	15,042,647	14,809,386	15,042,647	14,809,386

b. STAFF NUMBERS

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

	Group 2023 No.	Group 2022 No.
Teachers	166	150
Support staff	265	255
Management	3	29
	434	434

In the prior year, management consisted of the central leadership team, and also recognised the Executive Leadership Team, which was comprised of the majority of Headteachers across the Trust, and several Deputies. For the current year, the decision has been made to reduce this to the core SLT, who were also shown as KMP on the accounts. This is the CEO, CFO, and Director of Operations.

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10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	6	8
In the band £70,001 - £80,000	4	4
In the band £80,001 - £90,000	2	-
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	-
	=====	=====

d. 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 £349,349 (2022: £327,332).

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11. CENTRAL SERVICES

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

- Payroll and HR
- Legal and 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:

	2023	2022
	£	£
St Thomas Cantilupe Church of England Academy	44,794	39,742
Morville Church of England Primary School	19,639	18,507
The Hereford Academy	175,921	163,635
Bitterley Church of England Primary School	25,743	24,351
Tenbury Church of England Primary School	41,778	40,631
St Michael's Church of England Primary School	24,783	23,249
Burford Church of England Primary School	32,095	30,614
Burley Gate Church of England Primary School	19,209	20,089
Ludlow Primary School	85,812	81,424
Ludlow Church of England School	165,013	162,972
Bishop's Castle Primary School	33,993	31,945
Condover Church of England Primary School	28,493	27,634
St Edward's Church of England Primary School	14,271	13,246
St George's Church of England Academy Clun	20,039	20,496
Eastnor Church of England Primary School	25,818	23,473
TOTAL	757,401	722,008

12. DIRECTORS' REMUNERATION AND EXPENSES

The Headteacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses Academy Trust in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows: A Teale: Remuneration: £115,000 - £120,000 (2022: £105,000-£110,000), Employers pension contributions: £25,000-£30,000 (2022: £25,000-£30,000).

Other related party transactions involving the Directors are set out in Note 29.

During the year ended 31 August 2023, expenses totalling £1,244 were reimbursed or paid directly to 1 Director (2022: £432).

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £1,143 (2022: £1,153). The cost of this insurance is included in the total insurance cost.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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14. TANGIBLE FIXED ASSETS

GROUP AND TRUST

	Long-term leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2022	32,061,997	866,710	1,921,001	49,088	34,898,796
Additions	237,648	12,595	22,199	-	272,442
Disposals	-	-	-	(9,000)	(9,000)
At 31 August 2023	<u>32,299,645</u>	<u>879,305</u>	<u>1,943,200</u>	<u>40,088</u>	<u>35,162,238</u>
DEPRECIATION					
At 1 September 2022	8,796,785	393,084	1,857,086	45,838	11,092,793
Charge for the year	1,911,450	103,160	51,715	3,250	2,069,575
On disposals	-	-	-	(9,000)	(9,000)
At 31 August 2023	<u>10,708,235</u>	<u>496,244</u>	<u>1,908,801</u>	<u>40,088</u>	<u>13,153,368</u>
NET BOOK VALUE					
At 31 August 2023	<u><u>21,591,410</u></u>	<u><u>383,061</u></u>	<u><u>34,399</u></u>	<u><u>-</u></u>	<u><u>22,008,870</u></u>
At 31 August 2022	<u><u>23,265,212</u></u>	<u><u>473,626</u></u>	<u><u>63,915</u></u>	<u><u>3,250</u></u>	<u><u>23,806,003</u></u>

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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
ACADEMY TRUST	
COST OR VALUATION	
At 1 September 2022	1
AT 31 AUGUST 2023	<u>1</u>
NET BOOK VALUE	
AT 31 AUGUST 2023	<u>1</u>
AT 31 AUGUST 2022	<u>1</u>

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Academy Trust:

Name	Company number	Principal activity	Class of shares	Holding
Herecad Enterprises Limited	07717691	Dormant Company	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Herecad Enterprises Limited	(14,389)

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16. DEBTORS

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
DUE WITHIN ONE YEAR				
Trade debtors	95,350	64,432	96,344	65,426
Other debtors	93,826	85,886	93,808	85,868
Prepayments and accrued income	348,981	449,044	348,981	449,044
VAT recoverable	82,529	24,113	82,529	24,113
	620,686	623,475	621,662	624,451

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
ESFA loans	128,421	128,421	128,421	128,421
Trade creditors	352,527	262,884	348,952	263,125
Amounts owed to group undertakings	-	-	15,125	15,125
Other taxation and social security	245,720	232,317	245,720	232,317
Other creditors	256,252	210,151	256,252	210,151
Accruals and deferred income	413,216	412,245	413,216	412,245
	1,396,136	1,246,018	1,407,686	1,261,384

Included within creditors due within one year is an ESFA loan balance of £128,421. The full value of the loan outstanding is £663,907, £535,486 of which is shown as due over one year (Note 18). The loan is repayable in six-monthly instalments over the remaining 8 year of the loan with an applicable annual interest rate of 2.29%.

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
DEFERRED INCOME				
Deferred income at 1 September 2022	227,276	193,711	227,276	193,711
Resources deferred during the year	198,237	227,276	198,237	227,276
Amounts released from previous periods	(227,276)	(193,711)	(227,276)	(193,711)
	198,237	227,276	198,237	227,276

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

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18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
ESFA loans	535,486	661,126	535,486	661,126

Included within creditors due after more than one year is an ESFA loan balance of £661,126. The full value of the loan outstanding is £663,907, £128,421 of which is shown as due within one year (Note 17). The loan is repayable in six-monthly instalments over the remaining 8 year of the loan with an applicable annual interest rate of 2.29%.

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19. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds - all funds	169,983	516,227	(739,860)	53,650	-	-
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	500,125	15,148,010	(14,851,185)	(53,650)	-	743,300
Other DfE/ESFA Grants	3,816	2,230,343	(2,234,159)	-	-	-
Other Government Grants	-	1,859,129	(1,859,129)	-	-	-
Other Restricted	-	60,854	(60,854)	-	-	-
Donations	-	441,541	(441,541)	-	-	-
Pension reserve	(6,428,000)	-	(124,000)	-	2,529,000	(4,023,000)
	(5,924,059)	19,739,877	(19,570,868)	(53,650)	2,529,000	(3,279,700)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	19,885,442	-	-	-	-	19,885,442
DfE/ESFA Capital grants	3,934,768	780,932	(1,840,280)	-	-	2,875,420
Donations	4,459	-	(4,459)	-	-	-
Fixed assets purchased from GAG	161,336	-	(161,336)	-	-	-
Location Authority capital grants	97,575	-	(97,575)	-	-	-
	24,083,580	780,932	(2,103,650)	-	-	22,760,862
TOTAL RESTRICTED FUNDS	18,159,521	20,520,809	(21,674,518)	(53,650)	2,529,000	19,481,162
TOTAL FUNDS	18,329,504	21,037,036	(22,414,378)	-	2,529,000	19,481,162

19. 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.

Other DfE/ESFA grants - This represents funding received from the ESFA for specific purposes.

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

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

Donations - This represents restricted funds donated to the Multi Academy Trust.

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.

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.

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.

Local Authority capital grants - This represents capital spend from local authority capital funding.

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 2023.

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

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS					
General Funds - all funds	270,933	581,368	(682,318)	-	169,983
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	387,999	14,440,141	(14,328,015)	-	500,125
Other DfE/ESFA Grants	147,134	1,953,820	(2,097,138)	-	3,816
Other Government Grants	-	1,451,209	(1,451,209)	-	-
Other Restricted	-	531,743	(531,743)	-	-
Pension reserve	(15,605,000)	-	(798,000)	9,975,000	(6,428,000)
	<u>(15,069,867)</u>	<u>18,376,913</u>	<u>(19,206,105)</u>	<u>9,975,000</u>	<u>(5,924,059)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	21,497,837	-	(1,612,395)	-	19,885,442
DfE/ESFA Capital grants	3,635,461	571,976	(272,669)	-	3,934,768
Donations	4,820	-	(361)	-	4,459
Fixed assets purchased from GAG	174,418	-	(13,082)	-	161,336
Location Authority capital grants	105,487	-	(7,912)	-	97,575
	<u>25,418,023</u>	<u>571,976</u>	<u>(1,906,419)</u>	<u>-</u>	<u>24,083,580</u>
TOTAL RESTRICTED FUNDS	<u>10,348,156</u>	<u>18,948,889</u>	<u>(21,112,524)</u>	<u>9,975,000</u>	<u>18,159,521</u>
TOTAL FUNDS	<u><u>10,619,089</u></u>	<u><u>19,530,257</u></u>	<u><u>(21,794,842)</u></u>	<u><u>9,975,000</u></u>	<u><u>18,329,504</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£	£
Burford Church of England Primary School	(10,827)	14,492
Bitterley Church of England Primary School	(89,253)	(87,559)
St Michael's Church of England Primary School	149,279	178,940
Burley Gate Church of England Primary School	134,960	193,538
Central	(347,105)	(191,795)
Ludlow Church of England School	(234,596)	(275,392)
Ludlow Primary School	589,310	399,934
Morville Church of England Primary School	188,473	133,900
St Thomas Cantilupe Church of England Academy	102,842	51,708
Tenbury Church of England Primary School	73,830	74,787
The Hereford Academy	(49,451)	(11,542)
Bishop's Castle Primary School	115,116	43,461
Conover Church of England Primary School	41,274	36,952
St Edward's Church of England Primary School	116,987	115,405
St George's Church of England Academy Clun	(77,091)	(27,855)
Eastnor Parochial Primary School	39,552	24,950
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	743,300	673,924
Restricted fixed asset fund	22,760,862	24,083,580
Pension reserve	(4,023,000)	(6,428,000)
	<hr/>	<hr/>
TOTAL	19,481,162	18,329,504
	<hr/> <hr/>	<hr/> <hr/>

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

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

	Deficit £
Bitterley Church of England Primary School	(89,253)
Ludlow Church of England School	(234,596)
The Hereford Academy	(49,451)
St George's Church of England Academy Clun	(77,091)
Burford Church of England Primary School	(10,827)
Central	(347,105)

The Academy Trust have identified the reasons for any deficits in the academies funds below

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

Bitterley Church of England Primary School - this deficit has been incurred due to a change of leadership structure. An executive head has now been put in place, and the finance, education and Operations teams have put in a succession plan and restructure to save costs going forward. This is a sustainable development plan, and it is anticipated that the deficit will reduce each year, achieving a surplus budget in 24/25.

Ludlow Church of England School - this deficit has been incurred over previous years, and LCE finished the year 22/23 with a small surplus. Several members of the SLT are retiring in 23/24, and this will make significant savings over the next three years, as they are replaced with less expensive staff. NOR is also forecast to rise, increasing the core funding, and leading to more significant surpluses going forwards. The new Head Teacher will be reviewing staffing and curriculum in line with the recommendations made by the SRMA report undertaken in 2022.

The Hereford Academy - the Academy had made significant progress in reducing its historical deficit over recent years, however some unanticipated costs arose in 22-23 which lead to an in-year deficit. The core finance team has been working closely with SLT to set a balanced budget for the following three years. NOR is also forecast to rise at THA, and the deficit will be paid off by 25/26.

St George's Church of England Academy Clun - significant costs have been incurred here due to capital works, but the Central finance team has set a balanced budget for the following three years, and the deficit will be repaid. CLN have benefitted from central team financial support, but have a strong outlook for the future. NOR is also rising, and have seen significant in year transfers from the local community.

Burford Church of England Primary School - staffing absences have caused a deficit at this academy, in addition to high needs pupils without sufficient funding to afford their support. A three year surplus has been budgeted, and the central finance team continue to monitor this on a monthly basis.

The Central function - this deficit was caused by the significant financial support given to the two secondaries, and additional support for leadership, across the Trust. Additional investment has been made in the Trust Central Team in preparation for growth. Five new academies are set to join in April 2024, with a further tranche in September. The increased retention fees, alongside the reduced need to offer financial support to academies, will lead to a surplus balance. The Trust have been unable to apply for growth funding due to the timing of funding application windows and the delay in advisory board approval, however now that the first tranche of schools has been approved there will be opportunity to do so.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. 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 2023 £	Total 2022 £
Burford Church of England Primary School	557,425	77,556	16,356	150,791	802,128	781,906
Bitterley Church of England Primary School	401,389	58,862	20,692	193,560	674,503	685,137
St Michael's Church of England Primary School	476,724	85,633	22,565	124,427	709,349	605,587
Burley Gate Church of England Primary School	318,084	118,230	14,452	116,459	567,225	523,201
Central	111,642	360,317	2,300	1,112,353	1,586,612	1,465,891
Ludlow Church of England School	2,632,496	443,485	87,017	673,049	3,836,047	3,713,978
Ludlow Primary School	1,408,803	264,455	27,290	305,471	2,006,019	1,947,593
Morville Church of England Primary School	205,143	54,521	3,263	132,125	395,052	369,385
St Thomas Cantilupe Church of England Academy	867,986	111,085	16,910	252,202	1,248,183	1,171,236
Tenbury Church of England Primary School	799,644	153,346	2,146	187,175	1,142,311	1,065,248
The Hereford Academy	2,420,591	697,778	182,321	851,791	4,152,481	3,742,070
Bishop's Castle Primary School	455,721	85,001	11,605	233,910	786,237	773,076
Condover Church of England Primary School	500,468	100,563	14,686	127,958	743,675	761,739

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
St Edward's Church of England Primary School	194,567	36,846	4,436	97,189	333,038	366,470
St George's Church of England Academy Clun	346,629	67,145	13,750	216,103	643,627	572,507
Eastnor Parochial Primary School	346,339	53,378	17,591	177,008	594,316	545,399
ACADEMY TRUST	<u>12,043,651</u>	<u>2,768,201</u>	<u>457,380</u>	<u>4,951,571</u>	<u>20,220,803</u>	<u>19,090,423</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	22,008,870	22,008,870
Current assets	3,815	2,671,107	751,992	3,426,914
Creditors due within one year	(132,236)	(1,263,900)	-	(1,396,136)
Creditors due in more than one year	128,421	(663,907)	-	(535,486)
Provisions for liabilities and charges	-	(4,023,000)	-	(4,023,000)
TOTAL	<u>-</u>	<u>(3,279,700)</u>	<u>22,760,862</u>	<u>19,481,162</u>

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	23,806,003	23,806,003
Current assets	169,742	2,411,326	277,577	2,858,645
Creditors due within one year	241	(1,246,259)	-	(1,246,018)
Creditors due in more than one year	-	(661,126)	-	(661,126)
Provisions for liabilities and charges	-	(6,428,000)	-	(6,428,000)
TOTAL	169,983	(5,924,059)	24,083,580	18,329,504

21. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,377,342)	(2,264,585)
ADJUSTMENTS FOR:		
Depreciation	2,069,575	1,906,419
Capital grants from DfE and other capital income	(780,932)	(571,976)
Defined benefit pension scheme cost less contributions payable	(151,000)	531,000
Defined benefit pension scheme finance cost	275,000	267,000
Decrease/(increase) in debtors	2,789	(41,887)
Increase in creditors	150,118	166,992
Interest received	(11,026)	(10,027)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	177,182	(17,064)

22. CASH FLOWS FROM FINANCING ACTIVITIES

	Group 2023 £	Group 2022 £
Cash inflows from new ESFA loans	-	316,946
Repayments of ESFA loans	(125,640)	(51,957)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(125,640)	264,989

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. CASH FLOWS FROM INVESTING ACTIVITIES

	Group 2023 £	Group 2022 £
Interest received	11,026	10,027
Purchase of tangible fixed assets	(272,442)	(858,735)
Capital grants from DfE and other capital income	780,932	571,976
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	519,516	(276,732)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand and at bank	2,806,228	2,235,170
TOTAL CASH AND CASH EQUIVALENTS	2,806,228	2,235,170

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,235,170	571,058	2,806,228
Debt due within 1 year	(128,421)	-	(128,421)
Debt due after 1 year	(661,126)	125,640	(535,486)
	1,445,623	696,698	2,142,321

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. 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 2020 and of the LGPS 31 March 2019.

Contributions amounting to £197,730 were payable to the schemes at 31 August 2023 (2022 - £184,532) and are included within creditors.

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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. PENSION COMMITMENTS (CONTINUED)

The employer's pension costs paid to TPS in the year amounted to £1,650,715 (2022 - £1,570,080).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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.

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 2023 was £1,257,000 (2022 - £1,182,000), of which employer's contributions totalled £1,038,000 (2022 - £985,000) and employees' contributions totalled £ 219,000 (2022 - £197,000). The agreed contribution rates for future years are 19.1 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

	2023	2022
	%	%
Rate of increase in salaries	4.2	4.2
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.4	4.3
Inflation assumption (CPI)	2.8	2.8

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

	2023	2022
	Years	Years
Retiring today:		
Males	21.6	22.8
Females	24.0	25.0
Retiring in 20 years:		
Males	22.9	24.1
Females	25.8	26.8

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2023	As restated
	£000	2022 £000
Discount rate +0.1%	(271)	(342)
Discount rate -0.1%	274	348
Mortality assumption - 1 year increase	315	348
Mortality assumption - 1 year decrease	(310)	(343)
CPI rate +0.1%	273	356
CPI rate -0.1%	(270)	(350)

SHARE OF SCHEME ASSETS

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

	At 31	At 31 August
	August 2023	2022
	£	£
Equities	7,354,000	6,441,000
Bonds	1,329,000	1,204,000
Property	649,000	670,000
Cash and other liquid assets	142,000	203,000
Other	2,563,000	2,220,000
Total market value of assets	12,037,000	10,738,000

The actual return on scheme assets was £206,000 (2022 - £(141,000)).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2023	2022
	£	£
Current service cost	(887,000)	(1,516,000)
Interest cost	(740,000)	(428,000)
Interest income	486,000	161,000
Administrative expenses	(21,000)	(17,000)
Total amount recognised in the consolidated statement of financial activities	(1,162,000)	(1,800,000)

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26. PENSION COMMITMENTS (CONTINUED)

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

	2023	2022
	£	£
AT 1 SEPTEMBER	17,166,000	25,548,000
Current service cost	887,000	1,516,000
Interest cost	740,000	428,000
Employee contributions	219,000	197,000
Actuarial gains	(2,866,000)	(10,294,000)
Benefits paid	(228,000)	(229,000)
	15,918,000	17,166,000

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

	2023	2022
	£	£
AT 1 SEPTEMBER	10,738,000	9,943,000
Interest income	486,000	178,000
Actuarial gains	(195,000)	(319,000)
Employer contributions	1,038,000	985,000
Employee contributions	219,000	197,000
Benefits paid	(228,000)	(229,000)
Administration expenses	(21,000)	(17,000)
Derecognition of pension surplus	(142,000)	-
	11,895,000	10,738,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Trust	Trust
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	46,172	35,190	46,172	35,190
Later than 1 year and not later than 5 years	26,991	35,131	26,991	35,131
Later than 5 years	3,123	-	3,123	-
	76,286	70,321	76,286	70,321

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**NOTES TO THE FINANCIAL STATEMENTS
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28. 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.

29. 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 Academy Trust 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, former interim CFO, is a Director, totalling £NIL (2022: £7,661).

Diocese of Hereford Board of Education, a company who is also a member of the trust. During the year the Trust has received income of £62,505 (2022: £58,853) from the company. This income was in relation to Andrew Teale's remuneration recharge. The Trust also made purchases totalling £2,850 (2022: £NIL) from the related company.

30. 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.