

Company Registration Number: 08762217 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

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

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**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)****REFERENCE AND ADMINISTRATIVE DETAILS**

Members	S Pratley W Finn (resigned 12 March 2025) F Gibson R Pizii (appointed 12 March 2025) Diocese of Hereford Educational Trust
Directors	W Finn (resigned 12 March 2025) A Teale, Chief Executive R Pizii, Chair of Trustees K Skerrett (resigned 22 August 2025) A Smith, Vice Chair M Beever M Laird G Martin (appointed 22 October 2024) C Tully (appointed 11 April 2025)
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 J Hughes, Quality of Education Director B Straker, Director of Safeguarding C McKeown, Deputy Chief Executive Officer
Independent auditors	Bishop Fleming Audit Limited Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

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 Condoover 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 Church of England Academy Goodrich Church of England Primary School Onny Church of England Primary School Lydbury North Church of England Primary Much Marcle Church of England Primary School
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DIOCESE OF HEREFORD MULTI ACADEMY TRUST (A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2025

The Directors present the annual report together with the financial statements and auditor's report of the Charitable Company for the year end 31 August 2025. The annual report serves the purpose of both a Trustees' report, and a Directors report under company law.

The Trust now operates 17 primary and 2 secondary academies in The Diocese of Hereford. These academies had 3,486 pupils on roll, including nursery, in the school census on 1 October 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Diocese of Hereford Multi-Academy Trust (the Trust) is a charitable company limited by guarantee and an exempt charity. It operates under majority Church of England Articles of Association.

The Board of Directors (Trustees) is responsible for governance, strategic oversight and compliance with the Academy Trust Handbook.

The Board meets at least four times per year and is supported by committees for Audit and Risk, Finance and Resources, Pay and Performance, and Vision and Ethos. The Executive, Central Team and invited visitors keep the Board fully informed of the operational and strategic issues facing the MAT. The Board is grateful for the opportunity for constructive, open and frank discussions covering a wide range of topics. Board members also engage in different forums with local governance issues at many of the individual schools across the Trust. The Board recognises the hard work and occasional challenges and fully supports the executive's and central teams efforts to continually raise standards and opportunities across all settings. Local governance is delegated to Academy Committees under an approved Scheme of Delegated Authority.

Members' liability

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

Directors' Indemnities

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

Potential new Directors are identified through a number of sources.

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 Chair 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.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

The Board as of 31 August 2025 consist of:

A Smith	Non-Executive Director – Vice Chair
A Teale	Chief Executive Officer
R Pizii	Non-Executive Director - Chair
M Beever	Non-Executive Director
M Laird	Non-Executive Director
C Tully	Non-executive Director
G Martin	Non-Executive Director
Dean Sarah Brown	Chaplain to the Board of Directors

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.

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 Chair and/or Vice Chair, to appoint the CEO and Governance Professional 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.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

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 Delegated Authority (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.

In line with the Articles of Association, the Directors shall ensure that any Local Academy Board shall include at least two Parent Local Academy Board members.

101 B. The Directors shall ensure that any Local Academy Board constituted:

- in respect of any Academy that had previously been a Voluntary Controlled School immediately prior to conversion to Academy status shall have up to 25% of its members appointed by the Directors with the consent of the Diocesan Corporate Member and that all its members shall sign an undertaking to the Diocesan Corporate Member to uphold the designated religious character of the said Academy.
- in respect of any Academy that had previously been a Voluntary Aided School immediately prior to conversion to Academy status shall have all its members (except elected parent and any staff members) appointed by the Directors with the consent of the Diocesan Corporate Member and that all its members shall sign an undertaking to the Diocesan Corporate Member to uphold the. designated religious character of the said Academy.

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 LAB needs at the time of appointment. LAB 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

People and Remuneration Committee review Executive pay. The CEO and Central Senior Leadership Team are the key management personnel who are in charge of directing, controlling, running, and operating the Trust 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
4	4

Percentage of time spend on facility time

Percentage of time	Number of employees
0%	0
1-50%	4
51-99%	0
100%	0

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

Percentage of pay bill spent on facilities time

Total cost of facility time	£2,455
Total Pay bill	£15,850,089
Percentage of total pay bill spend on facility time	0.015%

Paid Trade union activities

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

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

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

Engagement with employees (including disabled persons)

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

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

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

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

STRATEGIC REPORT

Achievement and Performance

Achievements and Performance

At the end of the reporting period (31 August 2025) the Trust comprised 19 schools, rising to 20 with the inclusion of Pembridge CE Primary School from 1 October 2025. Following approval by the West Midlands Regional Director, Coalbrookdale & Ironbridge CE Primary School is expected to join in 2026 as the Trust's 21st school. The Board was disappointed that several applicant schools were denied the opportunity to join the MAT during the period but all parties remain engaged and hopeful for further conversions in the future.

Eighteen of the seventy-eight Church of England schools within the Diocese of Hereford are currently part of DHMAT. When the Coalbrookdale conversion is completed, this will rise to nineteen – approximately one quarter of all Church of England schools in the Diocese. This measured expansion reflects the Trust's strong working relationship with the Diocese and confidence in its leadership and capacity for improvement.

The Trust's overall Ofsted profile remains strong. All schools apart from Ludlow CE School are judged good or better for leadership and management in their most recent inspections. The Hereford Church of England Academy is judged good in all areas except Quality of Education (and therefore overall effectiveness) and continues to improve strongly.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

At Ludlow CE School, the May 2025 OfSTED inspection reported that pupils behave well, that relationships have strengthened, and that "DHMAT leaders have taken decisive action to raise standards." The trust installed a new leadership structure from April 2025, which is securing a rapid and positive transformation, which OfSTED fully recognised. At The Hereford CE Academy, the July 2025 monitoring visit confirmed sustained improvement in leadership, curriculum and safeguarding, with significantly stronger outcomes in English and mathematics.

Across the primary phase, all schools remain good or outstanding. Eastnor CE Primary and Much Marcle CE Primary retain outstanding status (the latter pre-conversion). Pembridge CE Primary, inspected in June 2025 prior to joining the Trust, was judged good in most areas with outstanding for both Personal Development and Early Years.

Recent Statutory Inspection of Anglican and Methodist Schools (SIAMS) inspections have been wholly positive, with schools consistently achieving Judgement 1 – "Living up to their foundation and enabling all to flourish", confirming the strength of Christian distinctiveness across the Trust.

Digital, Operational and Workforce Systems

The Trust's Digital Strategy (2024–26) continues to progress well. A DHMAT Microsoft 365 tenancy has been created, and the central team, St Thomas Cantilupe CE Primary and Burley Gate CE Primary have been onboarded. The migration of remaining schools to the unified system will continue through 2025–26. The Connect the Classroom programme has delivered significant infrastructure investment and the establishment of ICT hubs, improving resilience and security across the Trust.

During 2025, the Trust also completed a full migration from Shropshire Council Payroll to SAMpeople and Fusion HR for all schools. The transition, completed in time for the September 2025 payroll, introduced an integrated people-management system for over 500 employees, providing live workforce data, improved compliance monitoring and stronger oversight of staffing structures and contracts across the organisation.

DHMAT has also been approved as a Regional Training Hub+ (RTH+) with the University of Worcester, providing additional capacity for teacher training, recruitment and workforce development in the region.

Estates and Compliance

Capital investment through the Department for Education's School Condition Allocation exceeded £750,000 during the year, supplemented by £100,000 of devolved formula capital. Major projects completed included fire-alarm and heating upgrades, a refurbished sports hall at Ludlow, and a new nursery building at St Thomas Cantilupe CE Primary.

The Estates Team continues to prioritise safety, sustainability and the learning environment. Following a Health & Safety Executive audit of asbestos management, all recommendations were implemented and compliance scores across the Trust improved. Strategic planning with Shropshire Local Authority continues, exploring accommodation needs at Ludlow Primary and the development of a SEND hub at Burford CE Primary.

Financial Review

The Trust delivered an in-year free reserves surplus of £369,000 in 2024–25, increasing reserves from £658,000 to just over £1 million, representing approximately 4% of annual income. A further increase to 5% is forecast by August 2026.

External audit (Bishop Fleming Audit Limited) and internal scrutiny (Academy Advisory Ltd) confirmed strong financial controls and assurance that the Trust operates as a going concern. Cash flow remained positive throughout the year.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Principal Risks and Uncertainties

The Audit and Risk Committee monitors the Trust's risk register termly. Principal risks include:

- Financial pressures arising from cost inflation and variable pupil funding.
- Recruitment and retention challenges, particularly in rural areas.
- Performance variability in the secondary phase.
- Changes to government policy and funding.

Mitigation measures include strengthened financial oversight, digital integration to improve efficiency, executive leadership restructuring, targeted school improvement support, and the continued expansion of staff development through the RTH+ partnership.

Future Plans

The Board's priorities for 2025–26 are to:

- Consolidate the executive leadership model across both secondary schools and accelerate improvement towards Good or equivalent in revised OfSTED framework.
- Complete the digital unification and data-integration programme across all schools.
- Fully embed the SAMpeople and Fusion HR systems across the Trust.
- Increase central reserves to 5% of income.
- Expand the School Effectiveness Team and develop further Lead Professional capacity.
- Support the conversion of Coalbrookdale & Ironbridge CE Primary School, expected in the spring or summer term of 2026.

Public Benefit

The Directors confirm that they have had due regard to the Charity Commission's guidance on public benefit.

The Trust's activities - providing education, supporting families and sustaining rural communities-demonstrate clear and measurable benefit to the public.

STRATEGIC REPORT

Achievement and Performance - Chief Executive Officer Statement

The 2024–25 academic year has been one of significant consolidation and renewed strength for the Diocese of Hereford Multi-Academy Trust (DHMAT). It has been a year that has seen the Trust return to a pattern of steady growth, further improvements in educational standards, and the development of a stronger infrastructure to serve its rural schools and communities.

Growth and development

The Trust recently welcomed Pembridge CE Primary School, which joined on 1 October 2025 following a positive Ofsted inspection in June that judged the school Good in most areas and Outstanding for both Personal Development and Early Years. The Trust therefore moved from 19 schools to 20 in October 2025, now educating more than 3,300 pupils across Herefordshire, Shropshire and Worcestershire.

Following significant partnership work to stabilise and strengthen the school, the West Midlands Regional Director has approved the conversion of Coalbrookdale & Ironbridge CE Primary School to join DHMAT as its 21st school. The formal process is expected to complete in 2026. When this conversion is finalised, 19 of the 78 Church of England schools within the Diocese of Hereford, around one quarter of the total, will be part of DHMAT. This represents continued, sustainable growth in line with diocesan and regional strategy and confidence in the Trust's leadership and capacity for improvement.

Earlier in the year, Much Marcle CE Primary and the St Michael's Federation of Lydbury North and Onny CE Primaries joined the Trust, each bringing distinctive strengths and deepening our collective expertise in teaching, inclusion and small-school leadership. This careful pattern of growth reflects the priority given to serving the rural schools of the Diocese and sustaining them within a supportive family of academies.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

The Trust's relationship with the diocesan education team has continued to strengthen under the leadership of the new Diocesan Director of Education, Gemma Martin, and DHMAT remains the main delivery partner for Church of England education across the Diocese of Hereford.

Educational standards

The overall Ofsted profile of the Trust remains very strong. All 19 schools apart from Ludlow CE School have Good or better judgements for leadership and management in their most recent inspections. The Hereford Church of England Academy is judged Good in all areas except for Quality of Education (and therefore overall effectiveness) and continues to improve rapidly.

At Ludlow CE School, the May 2025 Ofsted inspection confirmed that pupils behave well, are polite and courteous, and move calmly around the site. The report highlighted that "staff, parents and carers understand and appreciate the new direction and organisation of the school," and that "DHMAT leaders have taken decisive action to raise standards," leading to improved relationships and a more positive culture. Attendance is improving and the school now benefits from more stable leadership and clearer curriculum direction.

At The Hereford CE Academy, a July 2025 monitoring visit recognised sustained improvement in leadership, curriculum and safeguarding. Results in English and mathematics rose sharply compared with 2024, and inspectors noted a purposeful atmosphere and stronger teaching. The school's designation as a RISE school (Regional Improvement for Standards and Excellence) has provided additional external validation and targeted national support.

Across the primary phase, standards remain above national averages in Early Years, Phonics and Key Stage 2 combined reading, writing and mathematics. Greater-depth attainment, particularly in writing, remains a key target area. Eastnor CE Primary and Much Marcle CE Primary continue to hold Outstanding status (the latter pre-conversion), and all other DHMAT primaries are Good. Recent SIAMS inspections have all been successful, with each school achieving Judgement 1, "Living up to their foundation and enabling all to flourish," reflecting the depth of Christian character and community engagement across the Trust.

System leadership and workforce development

The Executive Leadership Team has continued to mature, providing greater capacity for school improvement and operational management. The appointment of a full-time Deputy CEO and Head of School Effectiveness, together with additional expertise in safeguarding, estates and HR, has strengthened the professional support available to schools.

Seven DHMAT headteachers and senior leaders are currently completing their OfSTED Peer Inspector (OPI) and will begin inspecting in the Spring / Summer of 2026 within the revised inspection framework.

DHMAT has been approved as a Regional Training Hub+ (RTH+) with the University of Worcester, extending our partnership in teacher training and professional development. This new designation positions the Trust as a regional centre for high-quality initial teacher training and early career support, helping to address recruitment challenges in rural settings.

Digital and operational infrastructure

The Digital Strategy (2024–26) continues to make strong progress. A dedicated DHMAT Microsoft 365 tenancy has been created, and the central team, St Thomas Cantilupe CE Primary and Burley Gate CE Primary have been successfully onboarded. Work to migrate the remaining schools will continue through 2025–26. Alongside this, the Connect the Classroom programme has delivered over £100,000 of investment in network and hardware upgrades, and two developing ICT hubs are improving support and resilience across all schools. Digital integration is already reducing duplication, improving communication and enabling clearer data visibility for school leaders and directors.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

The Trust also completed a major upgrade of its HR and payroll systems during 2025. All schools have now moved from Shropshire Council Payroll to SAMpeople and Fusion HR. The migration, completed in time for the September 2025 payroll, provides an integrated people-management system covering over 500 employees across the Trust. The new platform offers live workforce data, improved compliance monitoring and much stronger oversight of staffing structures and contracts across all schools. This represents a significant advance in our ability to manage and support our staff network efficiently and transparently.

Estates, capital and compliance

Capital investment through the DfE's School Condition Allocation exceeded £750,000 this year. Major works included fire-alarm and heating upgrades across several schools, a refurbished sports hall and new hot-water system at Ludlow, and a new nursery building at St Thomas Cantilupe CE Primary providing fourteen additional early-years places. The Estates Team continues to focus on safety and sustainability. Following a Health & Safety Executive audit of asbestos management, all recommendations were implemented and compliance scores across the Trust have risen steadily. Planning continues with Shropshire Local Authority regarding accommodation at Ludlow Primary and a SEND hub proposal at Burford.

Financial performance and assurance

Financial management remains prudent and disciplined. The Trust delivered an in-year surplus of £369,000, increasing reserves from £658,000 to just over £1 million (around 4 per cent of income). External audit (Bishop Fleming Audit Limited) and internal scrutiny (Academy Advisory Ltd) both confirmed that financial controls are strong and that the Trust continues to operate as a going concern. Cash flow remains positive, and reserves are projected to reach 5 per cent of income by August 2026. These results mark a continued recovery from the pandemic period and demonstrate effective stewardship of public funds in a complex, multi-school organisation.

Next steps...

The Trust now stands on firm foundations. With stable leadership, improving educational outcomes, an ambitious digital and estates programme, and carefully managed finances, DHMAT is well placed to sustain and extend its mission in 2025–26.

Our priorities for the coming year include accelerating improvement in the secondary phase, completing the Microsoft 365 migration, embedding the RTH+ partnership with the University of Worcester, fully realising the benefits of the new HR and payroll systems, and continuing to grow reserves towards the 5 per cent benchmark.

Most of all, we remain focused on our shared values of Grace, Service and Family, and on our commitment to provide an education that enables every child and adult in our schools to flourish.

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, £1,027,827 was carried forward representing 4% of GAG

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

	Target at 1/9/24	Actual at 31/8/25
GAG carry forward	>5%	4%
Student attendance	>95.0%	92.7%
Staff costs to GAG	<80.0%	81.6%

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.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

FINANCIAL REVIEW

Financial Review

Most of DHMAT's income is obtained from the DfE 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 2025 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 2025, DHMAT received total income of £28.042M and incurred total expenditure of £27.884M. The excess of expenditure over income for the year was £159k.

At 31 August 2025 the net book value of fixed assets was £23.421M and movements in tangible fixed assets are shown in Note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of DHMAT.

DHMAT has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 28 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.

Reserves Policy

Previously the trust had agreed a minimum of 4% of income as the core target with a stretch target of 7% to allow for further resilience and project development for schools and the central team. The Trust were working towards this target.

From 23-24 the DfE set out a specific range for reserves of between 5% to 20% of income. The Trust had set a 2-year target to reach 5%.

For 24-25 the Trust has made good progress towards the required minimum level, increasing reserves from 2.8% to 4% of income. The 5% target is expected to be achieved by the end of 25-26.

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.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

The principal risks and uncertainties facing DHMAT are as follows:

Financial – DHMAT has considerable reliance on continued Government funding through the DfE. In the last year 91% 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.

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.

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 28 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 2025**

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Directors'.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2024 to 31 August 2025	Current reporting year 2024/25	Comparison reporting year 2023/24 (figures are for illustrative purposes)
Energy consumption used to calculate emissions (kWh)	3,616,908	3,676,583
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	326.512	368.519
Kerosene consumption	82.245	68.592
Gas Oil consumption	7.572	0.00
LPG Consumption	11.635	11.974
Owned transport	0.903	2.816
Total Scope 1	428.867	451.901
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	246.275	269.041
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned	4.953	4.193
Purchased Electricity	25.782	23.779
Total gross emissions in metric tonnes CO ₂ e	705.577	748.914
Intensity ratio Tonnes CO ₂ e per pupil	0.202	0.241

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 2025 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.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

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
- Many school have benefited through the use of LED lighting which has reduced energy usage and costs.
- Several schools had new boilers installed and replacement windows as part of the 24-25 capital programme
- Schools are gradually moving from on-site ICT services to cloud servers which along with improved wi-fi access points and new windows 11 compliant devices reduces the energy required to operate ICT within schools.

PLANS FOR FUTURE PERIODS

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

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

In 2025-26 DHMAT will welcome 2 new schools into its family of schools. During the next 12 months DHMAT will further explore with DfE 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 2025. 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.

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

- Ensures that the recruitment and selection of staff is conducted in a professional, timely and responsive manner and in compliance with current employment legislation
- Provides appropriate training, development, and support of those involved in recruitment and selection activities in order to ensure the recruitment of employing people is fair and legally compliant.
- Treats all applicants fairly, equitably, and efficiently, with respect and courtesy, aiming to ensuring that the applicant experience is positive, irrespective of the outcome
- Ensure that if any member of staff involved in the recruitment process is related to or has a close personal relationship with an applicant then they are not involved in the recruitment process at any point. This includes, but is not restricted to, decisions on restructures, ring-fencing and decisions about post-creation and job description content.
- Ensures that all documentation relating to applicants will be treated confidentially and kept securely in accordance with DHMAT and (if relevant) the academy's Data Protection Policy.

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 Audit Limited, 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 and signed on the board's behalf by:


Robert Pizzi

R Pizzi
Chair of Directors


Andrew Teale

A Teale
Accounting Officer

Date: 19 December 2025

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

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 resigned 12.03.25	2	2
A Teale	4	4
M Laird	1	4
R Pizii	4	4
K Skerrett resigned 28.08.25	3	4
C Tully	1	1
G Martin	3	3

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, HR and risk management.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
R Pizii	3	3
A Teale	3	3
M Laird	1	3
W Finn	1	1
M Beever	2	2

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.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

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

- Robust financial governance and budget management;
- Value for money purchasing and system rationalisation across the Trust;
- 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 DfE 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 for the period 1st September 2024 to 31st August 2025.

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 2024 to 31 August 2025 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)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

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 as well as a review of agreed non-financial areas. 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.

Based on the advice of the audit and risk committee and the accounting officer, the board of directors is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

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


Robert Pizzi

R Pizzi
Chair of Directors


Andrew Teale

A Teale
Accounting Officer

Date: 19 December 2025

**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 confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the Academy Trust's funding agreement with DfE, and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the Academy Trust Board of Trustees and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I, and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the framework of authorities.

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


Andrew Teale

A Teale
Accounting Officer
Date: 19 December 2025

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

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 Department for Education, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- 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 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:

R Pizii

Robert Pizii

R Pizii
Chair of Directors

Date: 19 December 2025

**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 2025 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 and 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 2024 to 2025 issued by the Department for Education.

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 2025 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 2024 to 2025 issued by the Department for Education.

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, which includes the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and 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 DIRECTORS

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.

**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)**

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 DfE 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 charitable company'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 charitable company'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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A Wood

Andrew Wood

Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Audit Limited

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: 19 December 2025

**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 DEPARTMENT FOR EDUCATION**

In accordance with the terms of our engagement letter dated 22 July 2024 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Diocese of Hereford Multi Academy Trust during the year 1 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to Diocese of Hereford Multi Academy Trust and the Secretary of State for Education 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 the Secretary of State for Education 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 the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ACCOUNTING OFFICER OF DIOCESE OF HEREFORD
MULTI ACADEMY TRUST**

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 2024, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2024 to 31 August 2025 have not been applied for the 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 DfE. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF
HEREFORD MULTI ACADEMY TRUST AND THE DEPARTMENT FOR EDUCATION (CONTINUED)**

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, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2024 to 31 August 2025 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

A Wood

Andrew Wood

Andrew Wood FCCA
Reporting Accountant
for and on behalf of
Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 19 December 2025

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 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	Total funds 2024 £
INCOME FROM:						
Donations and capital grants	3	279,996	730,654	1,061,818	2,072,468	1,458,879
Other trading activities		229,924	-	-	229,924	260,390
Investments	6	53,007	-	-	53,007	662
Charitable activities		257,907	25,473,321	-	25,731,228	21,851,998
TOTAL INCOME		820,834	26,203,975	1,061,818	28,086,627	23,571,929
EXPENDITURE ON:						
Charitable activities		391,392	26,479,813	1,582,630	28,453,835	23,619,630
TOTAL EXPENDITURE		391,392	26,479,813	1,582,630	28,453,835	23,619,630
NET INCOME/(EXPENDITURE)		429,442	(275,838)	(520,812)	(367,208)	(47,701)
Transfers between funds	20	-	575,862	(575,862)	-	-
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains on defined benefit pension schemes	28	-	4,436,000	-	4,436,000	470,000
Pension surplus not recognised	28	-	(2,315,000)	-	(2,315,000)	(161,000)
NET MOVEMENT IN FUNDS		429,442	2,421,024	(1,096,674)	1,753,792	261,299
RECONCILIATION OF FUNDS:						
Total funds brought forward as previously stated		222,436	(3,051,075)	24,474,267	21,645,628	19,481,162
Prior year adjustment		-	-	-	-	1,903,167
Total funds brought forward as restated		222,436	(3,051,075)	24,474,267	21,645,628	21,384,329
Net movement in funds		429,442	2,421,024	(1,096,674)	1,753,792	261,299
TOTAL FUNDS CARRIED FORWARD		651,878	(630,051)	23,377,593	23,399,420	21,645,628

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

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

The notes on pages 34 to 68 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 2025

	Note	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Tangible assets	14		22,845,083		24,195,844
			22,845,083		24,195,844
CURRENT ASSETS					
Debtors	16	1,213,596		1,038,634	
Cash at bank and in hand		2,484,247		2,293,381	
		3,697,843		3,332,015	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	17	(1,844,453)		(1,977,065)	
NET CURRENT ASSETS		1,853,390		1,354,950	
TOTAL ASSETS LESS CURRENT LIABILITIES			24,698,473		25,550,794
Creditors: amounts falling due after more than one year	18		(293,053)		(418,166)
NET ASSETS EXCLUDING PENSION LIABILITY			24,405,420		25,132,628
Defined benefit pension scheme liability	28		(1,006,000)		(3,487,000)
TOTAL NET ASSETS			23,399,420		21,645,628

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

	Note	2025 £	2025 £	2024 £	2024 £
FUNDS OF THE ACADEMY TRUST					
RESTRICTED FUNDS:					
Fixed asset funds	20	23,377,593		24,474,267	
Restricted income funds	20	375,949		435,925	
Restricted funds excluding pension asset	20	23,753,542		24,910,192	
Pension reserve	20		(1,006,000)		(3,487,000)
TOTAL RESTRICTED FUNDS	20		22,747,542		21,423,192
UNRESTRICTED INCOME FUNDS	20		651,878		222,436
TOTAL FUNDS			23,399,420		21,645,628

The financial statements on pages 27 to 68 were approved and authorised for issue by the Directors and are signed on their behalf, by:

R Pizii
 Robert Pizii

R Pizii
 Chair of Directors

Date: 19 December 2025

The notes on pages 34 to 68 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 2025

	Note	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Tangible assets	14		22,845,083		24,195,844
Investments	15		1		1
			22,845,084		24,195,845
CURRENT ASSETS					
Debtors	16	1,213,595		1,039,610	
Cash at bank and in hand		2,484,247		2,293,381	
		3,697,842		3,332,991	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	17	(1,844,453)		(1,988,615)	
NET CURRENT ASSETS			1,853,389		1,344,376
TOTAL ASSETS LESS CURRENT LIABILITIES			24,698,473		25,540,221
Creditors: amounts falling due after more than one year	18		(293,053)		(418,166)
NET ASSETS EXCLUDING PENSION LIABILITY			24,405,420		25,122,055
Defined benefit pension scheme liability	28		(1,006,000)		(3,487,000)
TOTAL NET ASSETS			23,399,420		21,635,055

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

ACADEMY TRUST STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2025

	Note	2025 £	2025 £	2024 £	2024 £
FUNDS OF THE ACADEMY TRUST					
RESTRICTED FUNDS:					
Fixed asset funds	20	23,377,593		24,474,267	
Restricted income funds	20	375,949		647,788	
Restricted funds excluding pension liability	20	23,753,542		25,122,055	
Pension reserve	20	(1,006,000)		(3,487,000)	
TOTAL RESTRICTED FUNDS	20		22,747,542		21,635,055
UNRESTRICTED INCOME FUNDS	20		651,878		-
TOTAL FUNDS			23,399,420		21,635,055

The financial statements on pages 27 to 68 were approved and authorised for issue by the Directors and are signed on their behalf, by:

R Pizzi

Robert Pizzi

R Pizzi
Chair of Directors

Date: 19 December 2025

The notes on pages 34 to 68 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 2025**

	Note	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	22	(642,993)	28,284
CASH FLOWS FROM INVESTING ACTIVITIES	24	957,467	(418,930)
CASH FLOWS FROM FINANCING ACTIVITIES	23	(123,489)	(122,320)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		190,985	(512,966)
Cash and cash equivalents at the beginning of the year		2,293,262	2,806,228
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25, 26	2,484,247	2,293,262

The notes on pages 34 to 68 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

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 2024 to 2025 issued by DfE, 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **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.

- **Transfer on conversion**

Where assets and liabilities are received by the Group on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Group. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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.

1.6 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

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
Short-term leasehold improvements	- 50% straight line basis
Furniture and equipment	- 20% Straight Line 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.

1.7 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES (continued)

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 notes 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

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.

Under FRS 102 an entity shall only recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore when a pension scheme is valued at a surplus, it is recognised at a £Nil value.

1.14 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Consolidated Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES (continued)

1.15 FUND ACCOUNTING

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

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

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

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

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 asset/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 28, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. 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 asset/liability.

A plan surplus can be recognised only to the extent an entity is able to recover the surplus, either through reduced contributions in the future, or through refunds from the scheme. The Academy Trust has made an assessment to restrict the LGPS surplus in total.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	Total funds 2024 £
Transfer from Local Authority on conversion	74,512	-	-	74,512	162,143
Donations	205,484	730,654	-	936,138	640,258
Capital Grants	-	-	1,061,818	1,061,818	656,478
	<u>279,996</u>	<u>730,654</u>	<u>1,061,818</u>	<u>2,072,468</u>	<u>1,458,879</u>
TOTAL 2024	<u>117,966</u>	<u>684,435</u>	<u>656,478</u>	<u>1,458,879</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
DFE GRANTS				
General Annual Grant	-	19,400,671	19,400,671	16,771,307
OTHER DFE GRANTS				
Start Up grant	-	50,000	50,000	125,000
Pupil Premium	-	993,284	993,284	895,880
Universal Infant Free School Meals	-	325,196	325,196	288,772
Teachers Pension grant	-	378,096	378,096	155,638
Teachers Pay grant	-	345,066	345,066	-
PE and Sports grant	-	279,734	279,734	222,570
Mainstream Schools Additional Grant	-	-	-	582,221
Core Schools Budget Grant	-	679,438	679,438	-
Other DfE grants	-	63,159	63,159	283,283
	-	22,514,644	22,514,644	19,324,671
OTHER GOVERNMENT GRANTS				
High Needs funding	-	1,031,813	1,031,813	547,676
Other government grants	-	1,873,360	1,873,360	1,578,160
	-	2,905,173	2,905,173	2,125,836
COVID-19 ADDITIONAL FUNDING (DFE)				
Catch-up Premium	-	-	-	150,822
	-	-	-	150,822
OTHER FUNDING				
Internal catering income	243,989	-	243,989	170,062
Sales to students	13,918	-	13,918	7,777
Other income	-	53,504	53,504	72,830
	257,907	53,504	311,411	250,669
	257,907	25,473,321	25,731,228	21,851,998
TOTAL 2024	177,839	21,674,159	21,851,998	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Lettings	120,424	120,424	123,390
External catering	109,500	109,500	137,000
	<u>229,924</u>	<u>229,924</u>	<u>260,390</u>

6. INVESTMENT INCOME

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest	53,007	53,007	662

7. EXPENDITURE

	Staff Costs 2025 £	Premises 2025 £	Other 2025 £	Total 2025 £	Total 2024 £
Direct costs	16,311,696	1,265,971	860,475	18,438,142	15,481,410
Allocated support costs	3,668,354	2,671,570	3,675,769	10,015,693	8,139,220
	<u>19,980,050</u>	<u>3,937,541</u>	<u>4,536,244</u>	<u>28,453,835</u>	<u>23,620,630</u>
TOTAL 2024	<u>16,914,573</u>	<u>2,456,217</u>	<u>4,249,840</u>	<u>23,620,630</u>	

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Education	18,438,142	10,015,693	28,453,835	23,620,630
TOTAL 2024	15,481,410	8,139,220	23,620,630	

ANALYSIS OF DIRECT COSTS

	Total funds 2025 £	Total funds 2024 £
Pension finance costs	61,000	77,000
Staff costs	15,848,089	13,512,800
Depreciation	1,265,971	675,636
Educational supplies	333,883	367,882
Examination fees	105,494	109,429
Staff development	68,178	69,113
Other costs	217,195	232,458
Supply teachers	463,607	370,980
Technology costs	74,725	66,112
	18,438,142	15,481,410

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FOR THE YEAR ENDED 31 AUGUST 2025**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2025 £	Total funds 2024 £
Pension finance cost	92,000	120,000
Staff costs	3,668,354	3,030,793
Depreciation	316,659	168,910
School fund expenditure	121,744	79,239
Recruitment and support	32,880	22,996
Maintenance of premises and equipment	954,298	413,907
Cleaning	509,863	436,759
Rent and rates	715,111	599,900
Energy costs	495,684	507,902
Insurance	175,639	161,105
Security and transport	114,885	90,851
Catering	794,054	717,220
Technology costs	679,684	445,160
Office overheads	268,421	275,388
Professional services	979,280	982,203
Bank interest and charges	7,743	8,737
Legal costs	14,215	7,399
Legal conversion costs	75,179	70,751
	10,015,693	8,139,220

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2025 £	2024 £
Operating lease rentals	35,527	26,685
Depreciation of tangible fixed assets	1,583,378	844,548
Fees paid to auditors for:		
- audit	40,250	38,720
- other services	6,025	5,580

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

10. STAFF

a. STAFF COSTS AND EMPLOYEE BENEFITS

Staff costs during the year were as follows:

	Group 2025 £	Group 2024 £	Trust 2025 £	Trust 2024 £
Wages and salaries	14,465,631	12,567,542	14,465,631	12,567,542
Social security costs	1,603,195	1,216,811	1,603,195	1,216,811
Pension costs	3,447,617	2,759,240	3,447,617	2,759,240
	19,516,443	16,543,593	19,516,443	16,543,593
Agency staff costs	463,607	370,980	463,607	370,980
Staff restructuring costs	37,429	9,492	37,429	9,492
	20,017,479	16,924,065	20,017,479	16,924,065

b. SEVERANCE PAYMENTS

The Group paid 1 severance payment in the year (2024 - 1), disclosed in the following bands:

	Group 2025 No.	Group 2024 No.
£0 - £25,000	-	1
£25,001 - £50,000	1	-

c. SPECIAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are special severance payment totalling £Nil (2024: £6,203).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

10. STAFF (CONTINUED)

d. STAFF NUMBERS

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

	Group 2025 No.	Group 2024 No.
Teachers	201	184
Support staff	299	311
Management	23	23
	523	518

e. HIGHER PAID STAFF

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

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	18	15
In the band £70,001 - £80,000	5	5
In the band £80,001 - £90,000	4	4
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	1	-
In the band £140,001 - £150,000	-	1

f. KEY MANAGEMENT PERSONNEL

The key management personnel of the Group comprise the Directors and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Group was £528,364 (2024 - £349,349).

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

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 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:

	2025	2024
	£	£
St Thomas Cantilupe Church of England Academy	111,555	47,433
Morville Church of England Primary School	28,894	20,940
The Hereford Academy	301,054	195,844
Bitterley Church of England Primary School	35,527	26,272
Tenbury Church of England Primary School	72,382	45,025
St Michael's Church of England Primary School	42,152	26,932
Burford Church of England Primary School	54,646	36,889
Burley Gate Church of England Primary School	30,342	19,883
Ludlow Primary School	130,818	87,162
Ludlow Church of England School	282,879	182,490
Bishop's Castle Primary School	49,101	35,337
Condover Church of England Primary School	46,254	29,185
St Edward's Church of England Primary School	20,929	15,427
St George's Church of England Academy Clun	38,728	22,939
Eastnor Church of England Primary School	41,306	28,329
Goodrich Church of England Primary School	52,149	10,858
Onny Church of England Primary School	38,262	4,467
Lydbury North Church of England Primary	26,278	2,848
Much Marcle Church of England Primary School	17,580	-
TOTAL	1,420,836	838,260

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

12. DIRECTORS' REMUNERATION AND EXPENSES

The Chief Executive Officer only receive remuneration in respect of services they provide undertaking the roles under their contracts of employment, and not in respect of their services as a Director. 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: £130,000 - £140,000 (2024: £130,000 - £140,000), Employers pension contributions: £20,000-£25,000 (2024: £25,000-£30,000).

Other related party transactions involving the Directors are set out in Note 31.

During the year ended 31 August 2025, expenses totalling £390 were reimbursed or paid directly to 1 Director (2024: £1,260).

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 2025 was £1,055 (2024 - £1,120). The cost of this insurance is included in the total insurance cost.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

14. TANGIBLE FIXED ASSETS

GROUP AND TRUST

	Long-term leasehold property £	Short-term leasehold improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2024	28,997,068	4,363,363	909,245	1,980,829	40,088	36,290,593
Additions	-	73,436	30,194	128,240	-	231,870
At 31 August 2025	28,997,068	4,436,799	939,439	2,109,069	40,088	36,522,463
DEPRECIATION						
At 1 September 2024	6,872,592	2,801,612	523,021	1,857,436	40,088	12,094,749
Charge for the year	564,023	819,627	124,687	74,294	-	1,582,631
At 31 August 2025	7,436,615	3,621,239	647,708	1,931,730	40,088	13,677,380
NET BOOK VALUE						
At 31 August 2025	21,560,453	815,560	291,731	177,339	-	22,845,083
At 31 August 2024	22,124,476	1,561,751	386,224	123,393	-	24,195,844

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
ACADEMY TRUST	
COST OR VALUATION	
At 1 September 2024	1
AT 31 AUGUST 2025	<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/ (liabilities) £
Herecad Enterprises Limited	1

16. DEBTORS

	Group 2025 £	Group 2024 £	Trust 2025 £	Trust 2024 £
DUE WITHIN ONE YEAR				
Trade debtors	38,153	58,514	38,152	59,508
Other debtors	122,732	95,572	122,732	95,554
Prepayments and accrued income	865,441	757,081	865,441	757,081
VAT recoverable	187,270	127,467	187,270	127,467
	<u>1,213,596</u>	<u>1,038,634</u>	<u>1,213,595</u>	<u>1,039,610</u>

DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	Group 2024 £	Trust 2025 £	Trust 2024 £
Other loans	124,926	123,421	124,926	123,421
Trade creditors	413,144	536,947	413,144	533,372
Abatement of GAG	-	27,424	-	27,424
Amounts owed to group undertakings	-	-	-	15,125
Other taxation and social security	353,479	277,344	353,479	277,344
Other creditors	353,336	341,844	353,336	341,844
Accruals and deferred income	599,568	670,085	599,568	670,085
	1,844,453	1,977,065	1,844,453	1,988,615

Within other loans are loans payable to the DfE with a total balance repayable at the reporting date of £285,293 (2024: £342,454). The loans are repayable monthly over the remaining 6 years of the loans with an applicable annual interest rate of 2.29%.

Also included within other loans are loans payable to Salix with a total balance repayable at the reporting date of £119,113 (2024: £199,133). The loans are repayable in six-monthly instalments over the remaining 3 years with an applicable annual interest rate of Nil%.

	Group 2025 £	Group 2024 £	Trust 2025 £	Trust 2024 £
Deferred income at 1 September 2024	212,074	198,237	212,074	198,237
Resources deferred during the year	264,432	212,074	264,432	212,074
Amounts released from previous periods	(212,074)	(198,237)	(212,074)	(198,237)
	264,432	212,074	264,432	212,074

DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

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

	Group 2025 £	Group 2024 £	Trust 2025 £	Trust 2024 £
Other loans	293,053	418,166	293,053	418,166

Within other loans are loans payable to the DfE with a total balance repayable at the reporting date of £285,293 (2024: £342,454). The loans are repayable monthly over the remaining 6 years of the loans with an applicable annual interest rate of 2.29%.

Also included within other loans are loans payable to Salix with a total balance repayable at the reporting date of £119,113 (2024: £199,133). The loans are repayable in six-monthly instalments over the remaining 3 years with an applicable annual interest rate of Nil%.

19. PRIOR YEAR ADJUSTMENT

In 2023/24 financial year, a prior year adjustment has taken place in respect of tangible fixed assets which were understated last year due to assets which should not have been depreciated. The corresponding impact is on the brought forward restricted fixed asset funds. The impact on the prior year surplus is an increase of the same amount.

DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. STATEMENT OF FUNDS

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
UNRESTRICTED FUNDS						
General Funds - all funds	222,436	820,834	(391,392)	-	-	651,878
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	435,925	19,400,671	(20,036,509)	575,862	-	375,949
Other DfE Grants	-	5,314,708	(5,314,708)	-	-	-
Other Government Grants	-	616,497	(616,497)	-	-	-
Other income	-	828,099	(828,099)	-	-	-
Pension reserve	(3,487,000)	44,000	316,000	-	2,121,000	(1,006,000)
	<u>(3,051,075)</u>	<u>26,203,975</u>	<u>(26,479,813)</u>	<u>575,862</u>	<u>2,121,000</u>	<u>(630,051)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	19,885,442	-	-	-	-	19,885,442
DfE Capital grants	4,588,825	1,061,818	(1,582,630)	(575,862)	-	3,492,151
	<u>24,474,267</u>	<u>1,061,818</u>	<u>(1,582,630)</u>	<u>(575,862)</u>	<u>-</u>	<u>23,377,593</u>
TOTAL RESTRICTED FUNDS	<u>21,423,192</u>	<u>27,265,793</u>	<u>(28,062,443)</u>	<u>-</u>	<u>2,121,000</u>	<u>22,747,542</u>
TOTAL FUNDS	<u><u>21,645,628</u></u>	<u><u>28,086,627</u></u>	<u><u>(28,453,835)</u></u>	<u><u>-</u></u>	<u><u>2,121,000</u></u>	<u><u>23,399,420</u></u>

The transfer out of the restricted fixed asset fund into General Annual Grant represents capital grants spent on repairs and maintenance of school buildings.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. 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 DfE which is to be used for the normal running costs of the Trust, including education and support costs.

Other DfE grants - This represents funding received from the DfE 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.

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 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.

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 2025.

DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. STATEMENT OF FUNDS (CONTINUED)

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

	As restated Balance at 1 September 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2024 £
UNRESTRICTED FUNDS					
General Funds - all funds	-	556,857	(334,421)	-	222,436
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	743,300	17,526,258	(17,833,633)	-	435,925
Other DfE Grants	-	3,057,073	(3,057,073)	-	-
Other Government Grants	-	1,225,747	(1,225,747)	-	-
Donations	-	549,516	(549,516)	-	-
Pension reserve	(4,023,000)	-	227,000	309,000	(3,487,000)
	(3,279,700)	22,358,594	(22,438,969)	309,000	(3,051,075)
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	19,885,442	-	-	-	19,885,442
DfE Capital grants	4,778,587	656,478	(846,240)	-	4,588,825
	24,664,029	656,478	(846,240)	-	24,474,267
TOTAL RESTRICTED FUNDS	21,384,329	23,015,072	(23,285,209)	309,000	21,423,192
TOTAL FUNDS	21,384,329	23,571,929	(23,619,630)	309,000	21,645,628

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2025 were allocated as follows:

	2025 £	2024 £
Burford Church of England Primary School	16,129	(24,149)
Bitterley Church of England Primary School	(119,576)	(115,212)
St Michael's Church of England Primary School	109,470	102,813
Burley Gate Church of England Primary School	147,754	125,825
Central	(291,136)	(357,498)
Ludlow Church of England School	(338,776)	(318,738)
Ludlow Primary School	748,683	657,769
Morville Church of England Primary School	301,006	255,774
St Thomas Cantilupe Church of England Academy	147,807	121,590
Tenbury Church of England Primary School	41,798	19,954
The Hereford Church of England Academy	39,112	9,552
Bishop's Castle Primary School	155,609	117,848
Conover Church of England Primary School	24,690	30,922
St Edward's Church of England Primary School	146,983	117,073
St George's Church of England Academy Clun	(212,085)	(181,606)
Eastnor Parochial Primary School	(20,842)	4,089
Onny Church of England Primary School	55,211	39,164
Lydbury North Church of England Primary School	78,377	100,612
Goodrich Church of England Primary School	(57,424)	(47,421)
Much Marcle Church of England Primary School	55,037	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,027,827	658,361
Restricted fixed asset fund	23,377,593	24,474,267
Pension reserve	(1,006,000)	(3,487,000)
	<hr/>	<hr/>
TOTAL	23,399,420	21,645,628
	<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 2025**

20. 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	119,576
Ludlow Church of England School	338,776
Goodrich Church of England Primary School	57,424
St George's Church of England Academy Clun	212,085
Eastnor Parochial Primary School	20,842
Central	291,136

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 – the school has restructured to a 3-class model for 2025-26 and is projected to deliver a surplus which will reduce the deficit. The Trust will work with the new Head Teacher to identify further savings.

Ludlow CE School – An Executive Head Teacher is now operating over both secondary schools. Additional expertise in curriculum timetabling has been recruited which will help to drive out savings identified in SRMA review. Numbers on roll are forecast to increase as larger year groups move from primary schools.

Goodrich – numbers have increased both in school and nursery for 2025-26. An expensive catering model has been reviewed, and costs will be lower going forward.

St George's Clun – Numbers on roll are increasing and the deficit will start to reduce for 2025-26. The school now shares an Executive Head Teacher with Bishops Castle.

Eastnor – the school has moved into deficit due to staff absence costs which were not covered by insurance. The Central Team will work with the Head to bring to school back into surplus.

Central – for 2025-26 the central top-slice has increased from 5% to 6.3%. The deficit will be recovered as recharges to existing and new schools increase.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. 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 2025 £	Total 2024 £
Burford Church of England Primary School	706,919	93,054	20,597	174,318	994,888	907,968
Bitterley Church of England Primary School	492,617	64,958	11,175	173,878	742,628	725,176
St Michael's Church of England Primary School	576,623	93,188	15,058	140,619	825,488	812,178
Burley Gate Church of England Primary School	426,491	92,825	14,312	113,902	647,530	645,386
Central	95,352	380,966	-	1,894,017	2,370,335	1,873,498
Ludlow Church of England School	2,847,530	586,033	101,803	907,328	4,442,694	4,234,030
Ludlow Primary School	1,645,324	320,049	22,215	353,562	2,341,150	2,169,285
Morville Church of England Primary School	264,637	61,943	2,989	165,231	494,800	413,194
St Thomas Cantilupe Church of England Academy	1,058,135	156,985	19,344	299,474	1,533,938	1,393,382
Tenbury Church of England Primary School	943,563	169,119	1,389	243,500	1,357,571	1,270,176
The Hereford Church of England Academy	2,801,046	859,078	171,668	974,857	4,806,649	4,559,758
Bishop's Castle Primary School	572,716	96,421	14,114	187,365	870,616	844,807

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2025 £	Total 2024 £
Condover Church of England Primary School	577,990	134,992	7,734	142,964	863,680	801,821
St Edward's Church of England Primary School	227,885	49,006	3,826	103,975	384,692	381,846
St George's Church of England Academy Clun	486,961	81,054	5,272	162,574	735,861	698,069
Eastnor Parochial Primary School	488,608	55,832	9,461	184,154	738,055	703,995
Onny Church of England Primary School	489,774	84,713	3,231	126,311	704,029	147,756
Lydbury North Church of England Primary School	333,850	49,365	5,688	94,066	482,969	99,847
Goodrich Church of England Primary School	563,447	208,543	8,920	150,707	931,617	319,912
Much Marcle Church of England Primary School	250,621	32,230	581	58,721	342,153	-
ACADEMY TRUST	15,850,089	3,670,354	439,377	6,651,523	26,611,343	23,002,084

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	-	22,845,083	22,845,083
Current assets	651,878	2,095,476	950,489	3,697,843
Creditors due within one year	-	(1,719,527)	(124,926)	(1,844,453)
Creditors due in more than one year	-	-	(293,053)	(293,053)
Provisions for liabilities and charges	-	(1,006,000)	-	(1,006,000)
TOTAL	651,878	(630,051)	23,377,593	23,399,420

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	-	24,195,844	24,195,844
Current assets	222,555	2,047,650	1,061,810	3,332,015
Creditors due within one year	(119)	(1,611,725)	(365,221)	(1,977,065)
Creditors due in more than one year	-	-	(418,166)	(418,166)
Provisions for liabilities and charges	-	(3,487,000)	-	(3,487,000)
TOTAL	222,436	(3,051,075)	24,474,267	21,645,628

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net expenditure for the year (as per Statement of Financial Activities)	(367,208)	(47,701)
ADJUSTMENTS FOR:		
Depreciation	1,582,631	844,548
Capital grants from DfE and other capital income	(1,061,818)	(565,620)
Defined benefit pension scheme cost less contributions payable	(469,000)	(423,000)
Defined benefit pension scheme finance cost	153,000	196,000
Increase in debtors	(174,962)	(417,948)
(Decrease)/increase in creditors	(134,117)	585,810
Interest received	(53,007)	(662)
Cash received from Local Authority on conversion	(74,512)	(143,143)
Pension liability on conversion	(44,000)	-
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(642,993)	28,284

23. CASH FLOWS FROM FINANCING ACTIVITIES

	Group 2025 £	Group 2024 £
Repayments of loans	(123,489)	(122,320)
NET CASH USED IN FINANCING ACTIVITIES	(123,489)	(122,320)

24. CASH FLOWS FROM INVESTING ACTIVITIES

	Group 2025 £	Group 2024 £
Interest received	53,007	662
Purchase of tangible fixed assets	(231,870)	(1,128,355)
Capital grants from DfE and other capital income	1,061,818	565,620
Cash received from Local Authority on conversion	74,512	143,143
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	957,467	(418,930)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2025 £	Group 2024 £
Cash in hand and at bank	2,484,247	2,293,262
TOTAL CASH AND CASH EQUIVALENTS	2,484,247	2,293,262

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	2,293,381	190,866	2,484,247
Debt due within 1 year	(150,845)	25,919	(124,926)
Debt due after 1 year	(418,166)	125,113	(293,053)
	1,724,370	341,898	2,066,268

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**NOTES TO THE FINANCIAL STATEMENTS
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27. CONVERSION TO AN ACADEMY TRUST

On 1 March 2025 Much Marcle Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Hereford Multi Academy Trust from Herefordshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Total funds £
CURRENT ASSETS			
Cash - representing budget surplus on LA funds	74,512	-	74,512
PENSIONS			
Pension scheme assets	-	347,000	347,000
Pension scheme liabilities	-	(303,000)	(303,000)
Restriction of pension scheme surplus	-	(44,000)	(44,000)
NET ASSETS	74,512	-	74,512

The land and buildings at the converted academy are owned by the Diocese. As a result, no assets are recognised on the balance sheet of the Academy Trust. The Academy Trust has been granted the use of the assets by the Diocese under a Supplemental Agreement. Note 1.6 details the accounting policy applied.

28. 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 2022.

Contributions amounting to £326,738 were payable to the schemes at 31 August 2025 (2024 - £271,745) and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation was implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £2,517,648 (2024 - £1,981,585).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

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28. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £1,770,000 (2024 - £1,482,000), of which employer's contributions totalled £1,449,000 (2024 - £1,213,000) and employees' contributions totalled £ 321,000 (2024 - £269,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12.5 per cent for employees.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2025	2024
	%	%
Rate of increase in salaries	4.0	4.3
Rate of increase for pensions in payment/inflation	2.7	2.7
Discount rate for scheme liabilities	6.1	5.0
Inflation assumption (CPI)	2.6	2.6

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

	2025	2024
	Years	Years
Retiring today:		
Males	22.3	21.5
Females	24.8	24.0
Retiring in 20 years:		
Males	22.0	22.8
Females	24.6	25.7

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28. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2025 £000	2024 £000
Discount rate +0.1%	(288)	(347)
Discount rate -0.1%	289	352
Mortality assumption - 1 year increase	380	513
Mortality assumption - 1 year decrease	(378)	(509)
CPI rate +0.1%	290	348
CPI rate -0.1%	(287)	(345)

SHARE OF SCHEME ASSETS

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

	At 31 August 2025 £	At 31 August 2024 £
Equities	10,069,000	9,667,000
Bonds	1,726,000	1,831,000
Property	1,949,000	1,845,000
Cash and other liquid assets	200,000	186,000
Other	2,027,000	2,186,000
Total market value of assets	15,971,000	15,715,000

The actual return on scheme assets was £1,175,000 (2024 - £959,000).

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

	2025 £	2024 £
Current service cost	(980,000)	(790,000)
Interest cost	(953,000)	(866,000)
Interest income	826,000	691,000
Administrative expenses	(26,000)	(21,000)
Total amount recognised in the consolidated statement of financial activities	(1,133,000)	(986,000)

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

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

	2025 £	2024 £
AT 1 SEPTEMBER	18,767,000	15,918,000
Conversion of Academy	303,000	646,000
Current service cost	980,000	790,000
Interest cost	953,000	866,000
Employee contributions	321,000	269,000
Actuarial gains	(3,833,000)	396,000
Benefits paid	(514,000)	(118,000)
AT 31 AUGUST	16,977,000	18,767,000

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

	2025 £	2024 £
AT 1 SEPTEMBER	15,280,000	11,895,000
Conversion of Academy	347,000	646,000
Interest income	826,000	691,000
Actuarial gains	603,000	866,000
Employer contributions	1,449,000	1,213,000
Employee contributions	321,000	269,000
Benefits paid	(514,000)	(118,000)
Administration expenses	(26,000)	(21,000)
Derecognition of pension surplus	(2,315,000)	(161,000)
AT 31 AUGUST	15,971,000	15,280,000

The Group has a cumulative unrecognised surplus of £2,618,000 (2024 - £303,000) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

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29. OPERATING LEASE COMMITMENTS

At 31 August 2025 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	Group 2024 £	Trust 2025 £	Trust 2024 £
Not later than 1 year	24,485	32,660	24,485	32,660
Later than 1 year and not later than 5 years	53,656	70,729	53,656	70,729
	78,141	103,389	78,141	103,389

30. 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.

31. 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 DfE 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.

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 £Nil (2024: £41,583) from the company. This income was in relation to Andrew Teale's remuneration recharge.

32. GENERAL INFORMATION

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