

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

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

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**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Pratley W Finn F Gibson Diocese of Hereford Educational Trust
Directors	W Finn, Chair of Directors A Teale, Chief Executive R Pizii M Simmons (resigned 24 January 2024) K Skerrett A Smith S Brown (resigned 22 January 2024) M Beever M Laird G Martin (appointed 22 October 2024)
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 LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

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 2024. The annual report serves the purpose of both a Trustees' report, and a Directors report under company law.

The Trust now operates 16 primary and 2 secondary academies in The Diocese of Hereford. These academies have a combined pupil capacity of 4,001 and had on roll of 3,109, including nursery, in the school census on 1 October 2023.

Comments from the Board of Directors

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

It is almost 6 years since we appointed a new CEO in January 2019. It is four years since the pandemic first hit and two years ago, we were still very much dealing with the immediate mitigations and staffing disruption. In many senses our schools have never fully 'returned to normal' if by 'normal' we mean how they were in early 2020.

Much as we talk about pre-war and post-war eras, our country, our diocese, our education system and our trust now has pre-pandemic and post-pandemic chapters in its ongoing story. We are (still) dealing with the legacy left by three disrupted academic years for children and young people of all ages and it has also changed the landscape for staffing our schools at all levels. This post-pandemic education age continues to demonstrate the strength and advantage that schools have when working as part of a strong multi-academy trust.

In 2024 the growing strength of our maturing trust stands in contrast to the growing weaknesses in local services connected with education. Our diocesan trust had a very significant restructure and reset in early 2019 which, although hugely painful at the time, has given us valuable organisational understanding of what a successful trust needs to have and needs to do in order to enable its schools to flourish.

It is now 10 years since the Diocese of Hereford first created a multi-academy trust for schools. We can perhaps look at this decade as a 'game-of-two halves,' but it is increasingly clear, that we needed the lessons of the first 5 years to build the strong trust that has become a very different animal, across the second 5 years of its existence.

When we have considered the theological underpinning of our trust vision and its expression through our three pillars of Grace and Service and Family, we can very easily connect it all to the parable which Jesus told of The Prodigal Son, sometimes called the two sons, but perhaps would be better known as the Parable of the Loving Father.

January 2019 was the beginning of our turning around and coming home. Now we are a trust which has completed its return to be reformed, renamed and re-established and which is now a sanctuary and a support for schools and the reforming education system within, and in support of, our ancient Diocese of Hereford.

New trusts are now forming within diocese. Some will be trusted with our precious CE schools, and some will not, but they are almost all at the very beginning of a long and difficult early road to establish the necessary capacity to support and underpin school structures and to add value to their existing operations. These emergent trusts will need to build the same structures over time, which are already well-established at DHMAT. These new trusts may benefit from our support and they begin to find their way.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Our own trust's journey continues and there are plenty of challenges ahead of us to preserve, protect and reinvigorate our rural school system in the face of the regional and national changing landscape. How can we improve SEND provision and alternative provision for those children who cannot cope in a mainstream class of 30 pupils? How do we enable better access to over-stretched services like child and adolescent mental health, speech and language, counselling, educational psychology services? How do we enable better early years provision in our diocese? How do we support the most damaged children in society within a social care system under huge strain? How do we ensure the highest academic standards with groups of pupils who have had such a disrupted and damaged start to their earlier education journey?

At a national level we have had another eventful year in politics which has brought a change of government. Local authority funding has continued to be withdrawn and repurposed to the point where maintained schools receive only very minimal support from traditional sources. It once felt like this was less acutely felt in some part of our diocese than others, but with the significant cutbacks in Shropshire services, we now see as an increasing challenge and risk for school in all four of our LA regions. The education system has now begun a new period of transformation under a labour government. We expect a new OFSTED inspection framework and a new national curriculum in the year ahead of us.

School finance this year has been extremely challenging for a number of reasons and remains so. We have seen a sustained period of much higher inflation resulting from a combination of factors, including controversial economic policies and the war in Europe. The result this year, has been further increases to education staffing costs as well as a very significant rise in other running costs and capital project work in our schools. Funding is no more abundant in the academy trust sector than anywhere else, but our finance team, enable careful monitoring and strategic planning and the opportunities to make any necessary structural adjustments early enough to sustain the health long-term operation of our schools. The opportunities to achieve greater economies of scale remain and are now beginning to be unlocked by our mature trust.

A reminder that, at the start of 2019, our trust included three schools in special measures. At the start of 2022, we had none and therefore no CE schools in special measures in the whole of the Hereford Diocese, however DHMAT still had one academy that had been in special measures before it academised into the trust and that had not been inspected since. We also still had one primary academy which had been judged to be 'requires improvement' in its most recent (2018) inspection that we knew would be due for reinspection.

April 2022 brought OfSTED to St Edward's CE Primary in Dorrington. It had been in special measures before it academised. We secured good judgments in all areas of the inspection. Conover CE Primary also secured a good judgment in all areas in its inspection, just a few weeks later. Burford CE Primary School moved from Requires Improvement to Good (in all areas) during its two-day inspection and The Hereford CE Academy achieved good in all areas in its SIAMs inspection. It had previously been 'satisfactory.'

2023-24 also saw the trust return to growth. We were given approval to take in schools once again by the West Midlands Regional Director with the significant proviso that our CEO was no-longer shared with the Diocese of Hereford and so, working together with diocesan authorities, we 'decoupled' the shared role which had been in place since Jan 2019 and, from Easter 2024, Andrew Teale stepped down as the Diocesan Director of Education and became the 'full-time' CEO for DHMAT. We therefore have new education leadership in place at the Diocese. Tim Reid, who is the DDE for Worcester, has become the Executive DDE for the Dioceses of Worcester and Hereford. Gemma Martin, formerly headteacher and diocesan support officer in Worcester, is now a full time Diocesan officer and is the new DDE in the Diocese of Hereford. Gemma has also joined the DHMAT board as a Director.

Although, a very significant change for everyone involved, we are now in a position to respond to the strategic imperative in our rural diocese to continue to build a stronger education system in which we see growing numbers of school becoming dependent on trust support to replace the reduced support from tradition local authority sources.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

On 1st May 2024, Goodrich CE Primary became the 16th school in the trust. The 1st July saw us welcome our 17th and 18th schools when the St Michael's Federation of Lydbury North CE Primary and Onny CE Primary joined together.

Over the summer and as the new school year was getting under way, we received approval that Pembridge CE(VA) Primary and Much Marcle CE(VA) Primary could also join DHMAT and we expect those to become our 19th and 20th schools on 1st February 2025.

We have already completed staff and parent consultation processes with two more primary schools who look likely to join us in the autumn term. We have a school in Telford and Wrekin who we have been supporting since September whose (interim executive) board have recently voted to join DHMAT.

We are in ongoing dialogue with numerous other schools, both CE and community schools, in all parts of the diocese.

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Details of the Directors who served throughout the year, and to the date these accounts are approved, are included in the Reference and administrative details on page 1 to 2.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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 £5,000,000.

Method of Recruitment and Appointment or Election of Directors

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

Potential new Directors are identified through a number of sources.

When appointing new Directors, the Board give consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to DHMAT's development. Following an interview with Chairman of the Board and Chief Executive Officer, their names are proposed to DHMAT's Members for approval.

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

The Board as of 31 August 2024 consist of:

W Finn	Non-Executive Director - Chair
A Smith	Non-Executive Director – Vice Chair
A Teale	Chief Executive Officer
R Pizii	Non-Executive Director
K Skerrett	Non-Executive Director
M Beever	Non-Executive Director
M Laird	Non-Executive Director

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

Policies and Procedures Adopted for the Induction and Training of Directors

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

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

Organisational Structure

The structure consists of the following levels: DHMAT Members (appointed by the Diocesan Board of Education (DBE) and made up of the Diocesan Director of Education (DDE), the Chair and two others), the DHMAT Board, the Chief Executive Officer (CEO) and individual Academy Local Academy Board (LABs)/Strategic Task Group (STGs). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels whilst maintaining accountability.

The DHMAT Board ensure compliance with charity and company law requirements and has two core functions: to set the strategic direction of the organisation and ensure the financial probity of DHMAT.

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

- Finance and Resources Committee – this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with report and regulatory requirements and reporting, receiving reports from the Responsible Officer/Internal Auditor considering senior officer salaries and drafting the annual budget including setting staff levels. It also covers the role of an Audit Committee which includes monitoring, spending, risk register and annual accounts.
- Standards Committee – this committee forms part of the main board meeting so all Directors attend. The committee is responsible for evaluate and review Trust wide policy, practice, and performance in relation to curriculum planning, communications, target setting and assessment, examinations, and all pastoral issues.

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

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

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

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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

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

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

The Chief Executive Officer is the Accounting Officer.

Arrangement for Setting Pay and Remuneration of Key Management Personnel

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

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

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

Trade Union Facilities Time

Relevant Union Officials

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

Percentage of time spend on facility time

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Percentage of pay bill spent on facilities time

Total cost of facility time	£2,455
Total Pay bill	£13,677,800
Percentage of total pay bill spend on facility time	0.02%

Paid Trade union activities

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

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

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

Engagement with employees (including disabled persons)

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

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

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

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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.

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.

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

OBJECTIVES AND ACTIVITIES

Mission and Ethos

The Church of England has been involved in education in this country for hundreds of years. Our schools are not faith schools. They are highly inclusive places and aim to provide a vibrant education, not just to Christian families, but for everyone from all faith backgrounds, including those of no faith. Jesus excluded no-one from his ministry and focused on the most vulnerable in society. Ours is an education for everyone.

'EDUCATING FOR LIFE IN ALL ITS FULLNESS' is the goal of the Church of England's 'Deeply Christian, Serving the Common Good' vision for Education and is central to the vision for our diocese and our trust.

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

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

We work in partnership with the Church of England's Foundation for Educational Leadership and together we aim to:

"inspire a set of leadership practices that both exemplify Wisdom, Knowledge & Skills, Hope & Aspiration, Community & Living Well Together, and Dignity & Respect, and that also go to the heart of educational purpose: Called – inspiring the vocation of the education leader; Connected – enabling the flourishing of children, adults, teams and communities; Committed – sustaining long-term engagement in realising this vision for education."

Called Connected Committed CEFEL 2020

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

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

A Light of Grace – The Parable of the Two Sons

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

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

A Light of Service - The Good Shepherd

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

Saint Thomas Cantilupe, Hereford's own Saint, became the Bishop of Hereford in 1275. Known as the father of modern charity, his story of service and sacrifice has inspired many to undertake pilgrimage to his shrine in Hereford Cathedral.

Like St Thomas, ours is a mission of service. We exist to serve the children and families of our diocese by providing an enlightening and inspiring education. We are here to develop qualities of character that enable children to flourish together, respecting human dignity and with appreciation of the ultimate worth of each person.

A Light for Family

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

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

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

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

Aims

The principal objective and activity of DHMAT is to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum, and which shall include.

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**DIRECTORS' REPORT (CONTINUED)
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- i. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious educations and daily acts of worships, and having regard to any advice issued by the Diocesan Board of Education; and
- ii. Other Academies whether with or without a designated religious character, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

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

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

Our trust's mission is to establish and manage a family of academies, where inclusive values and academic excellence enables studies to learn within an environment of respect for themselves and others. The aims of our trust are summarised below:

- To ensure that our academies are centres of excellence with a focus on the nurture and achievement of all their members
- To foster, maintain and celebrate the Christian distinctiveness of our Church Schools as places for those of faith or no faith
- To promote mutual support, encouragement, and benefit between all our academies
- To develop, as the foundation stone of academic achievement, a strong culture of professional development amongst our staff
- To recognise and address the challenges of small rural communities
- To celebrate and maintain the unique identity of each academy within its community, and within the family of academies
- To recognise and enable those who often remain invisible, through ethnic or cultural disadvantage, or through disability or poverty

DHMAT adopts a collegiate approach to developing communities of excellence.

At DHMAT we aim to achieve the best for, and from each child. We enable each child to realise his or her full academic, creative, and physical potential and to develop positive social and moral values. Our academies are a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies, and Activities

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

Key priorities for the year are set out below:

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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

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

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

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

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

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

Public Benefit

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

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

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

STRATEGIC REPORT

Achievement and Performance

2023-24 was a very busy year for OfSTED inspections with eight across the school year.

In Oct 2023 we achieved a good OfSTED inspection at Bitterley CE Primary and an important section 5 inspection at Bishop's Castle CE Primary. Both schools achieved good judgements in all areas of the inspection.

In late Jan 2024, Ludlow Primary had an OfSTED inspection, the trust's third of the academic year. Ludlow Infants' last inspection was in 2018 when it had been placed in special measures. We amalgamated the infant school with the 'good' junior school to create Ludlow Primary. We were therefore delighted that Ludlow Primary received such a strong report and was judged as good in all areas of the inspection. This was the fourth school that DHMAT has taken out of special measures since 2019.

The Hereford Academy was reinspected in Feb 24, following a challenging period of staffing instability, mainly due to some long-term ill health. In spite of the continuing challenges faced by this crucially important school, we received a broadly positive OfSTED inspection. The school has not yet reached a good judgement for overall effectiveness, however it was judged as good for behaviour, personal development and, very importantly, leadership and management. This was the trust's fourth OfSTED inspection since the start of the academic year. The school is now called 'The Hereford Church of England Academy' as a clearer reflection of its foundational status as a Church of England School.

May 2024 brought the trust's fifth and sixths OfSTED inspections this year. Burley Gate CE Primary achieved a strong inspection results with good outcomes in all areas. Eastnor CE Primary school, which had not been inspected since joining the trust, and which had its last inspection from OfSTED in 2012. We were delighted to achieve an outstanding outcome in all areas of the inspection.

June 2024 brought our seventh and eighth inspections of the year. St Michael's CE Primary, Bodenham achieved good judgments in all areas. Tenbury CE Primary secured an outstanding judgment for leadership & management and personal development and good in all other areas.

Since the reformation of our trust in January 2019, we have had 23 OfSTED inspections (including section 8, 5 and Covid monitoring inspections) all 15 of our schools had, by the end of June, been inspected by OfSTED at least once since joining. All our schools now had (at least) good for leadership and management, behaviour and personal development.

We had a Statutory (Section 48) Inspection for Anglican and Methodist Schools (SIAMS) early in September 2024 at St George's CE Primary School. This was our first SIAMs under the new framework which was introduced in Sept 2023. We achieved a 'Judgement 1' and the 'Inspection Findings' opened with the following: "St George's Academy benefits greatly from being part of the Diocese of Hereford Multi-Academy Trust. The support and guidance from the Trust with embedding the reviewed vision is appreciated by the senior leaders. This relationship is strong, impactful, enabling and reciprocal, moving the school forward with their aims."

Major achievements in last 12 months

- Supported our academies and wider education system through a further year of post-pandemic challenges and the continued return towards the normality of inspections, public examinations and testing.
- 8 OfSTED inspections. 5 with good in all areas, 1 with outstanding in all areas. 7 out of 8 with at least good for quality of education (1 remained at Require Improvement and 1 with Outstanding).8 with at least good for leadership and management (2 with outstanding). All with at least good for personal development (2 with outstanding). All with at least good for behaviour and attitudes (1 with outstanding). All with at least good for early years (1 with Outstanding). Safeguarding was found to be

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

effective in all 8 inspections. Positive impact of support from the trust was mentioned in all 8 inspection reports.

- Established a DHMAT Vision and Ethos Focus Group, to provide nourishment and governance guidance concerning the distinctive ethos and character of our schools.
- Full time estates manager who joined the team in April 23 has become fully established in the role. In the last 18 months, our Estates Strategy and support has been transformed culminating in a new estates Management Strategy which was presented to the board in the Spring Term of 2024. We completed £800,000 worth of capital improvement projects across the trust estate. This includes everything from remodelled office space and entrance at Burley Gate to removal of demountable and replacement classrooms at Tenbury CE Primary. We are strengthening our health and safety monitoring and compliance across the trust.
- Early Careers Teacher Support further strengthened this important role supporting mentors and early career teachers across the trust. Vicky Tansley has taken over this role from Marj Francis (who has been promoted to Assistant Head at THA) and has been supporting and coordinating this work very effectively.
- December 2023 – Third DHMAT Safeguarding Conference held at THA led by our Director of Safeguarding, with a focus on work of the work of Brene Brown and its impact on safeguarding and broader leadership in schools. Head and DSLs in attendance at The Hereford Academy. Very well received by all who attended, and it was great that we had a national speaker on site (Trust Safeguarding Lead from Oasis Trust which has around 40,000 pupils) but also equally high quality input from our own staff, notably Lisa Lambert from Burford CE Primary as well as online speakers.
- January 2024 – Increased central team capacity by increasing Quality of Education Director to full-time and increased safeguarding lead officer to 0.8 with a broadened responsibility for Safeguarding and Inclusion.
- January 2024 – New headteacher began work at Ludlow CE School following the retirement of former headteacher at Christmas. We have seen a new phase of development at the school and some positive developments, including a closer working relationship between the two secondary schools in DHMAT.
- Autumn 2023 – Clean and efficient financial audit completed thanks to Chief Finance Officer and our finance team.
- Advent 2023 - Our first Advent Carol Service took place in the Cathedral on the 29th November 2023. It included around 500 children and young people from all schools in the trust, including the new schools. We really did pull out the stops both literally and metaphorically and everyone seem to enjoy the event. We plan to run our second annual service on 26th Nov 2024.
- Senior Leadership Team (CEO, Deputy CEO, CFO, Quality of Education Director and Safeguarding and Inclusion Director) reformed have met regularly and strengthened the strategic leadership level within the executive team.
- Further development and growth of expanded Executive Leadership Team. We are still developing and will continue to do so but has significantly grown our leadership capacity.
- Maintained very close working partnership with Diocesan education priorities, as education strategy continues to involve.
- Quality of Education Director, and Dep CEO have successfully led further developments in specific support for schools around curriculum and all aspects of teaching and learning. The 'School Effectiveness' support process continues to evolve as we move further away from a single external 'academy improvement partner' approach.
- Support systems around complex compliance areas such as appeals, complaints and exclusions has become more robust and well supported. The retirement of lead officer at Christmas, has necessitated some reshaping of leadership in this area of school support. This remains work in progress, but we have begun to work a little more closely with Stone King particularly in dealing with more complex parental complaints processes as a multi-academy trust.
- We have been beginning to provide support in different contexts for schools outside of the trust, including during and in preparation for OfSTED inspections. We are being award some (small) school improvement contracts for specific schools and are charging for some services. This has expanded significantly at Coalbrookdale and Ironbridge CE Primary who now seem likely to join DHMAT in the coming year.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

- Continued work as Regional Delivery Partner for National Professional Qualification training with the CE Foundation for Educational Leadership.
- The Hereford CE Academy is now the only state-school in Herefordshire to have its own Cadet Force, an initiative back by the Ministry of Defence. Opening in August 2024, we so far have 38 year 8 students who have enrolled. The plan is that this will grow year by year.

Ongoing challenges

- Education Recruitment is our biggest challenge, especially at secondary level and especially in science and maths.
- Political and financial instability within education, especially and the transformation of the system continues. New changes to be expected in inspection frameworks and to national curriculum.
- We want to further grow DHMAT capacity to support schools with a stronger staffing structure and larger central team, but we lack the resources to go ahead as quickly as we would ideally like.
- We want to create rich curriculum opportunities that schools cannot do alone, but cost is always a barrier. Music festivals and concerts. Theatre performances. DHMAT wide sporting opportunities and experiences. Great aspirations for us but hard to realise because of financial and staffing capacity challenges.
- Recent government announcement that grant to cover costs of conversions will end at Christmas 2024.
- Continued development of governance model. Strategic Task Group model has proved very effective as well as time-efficient but is difficult to up-scale to much larger numbers of schools.
- Continuing to raise academic standards in secondary schools while staffing shortages in some subject areas are so acutely felt in our region.
- There are lots of small rural primary schools in our region but few larger schools. We would like to maintain the current balance of larger and smaller schools so that we can continue to build strong support structures for all schools.
- We are expecting to receive seven SIAMs inspections of our CE schools this year. One at St George's CE Primary took place very successfully in Sept 2024 but there are six more to go.

Key Next Steps

- In the Hereford Diocese, DHMAT will become an increasingly central part of the strategy of moving more schools into multi-academy trusts. We are aiming to at least double the number of DHMAT pupils in the coming years and positive conversations with schools are becoming more and more frequent.
- Continuing our journey towards as a strong growing multi-academy trust, as the government makes clear the detail of what that term actually means and as the education system reforms around us.
- Onboarding new schools. This will be an 8-to-10-year process and there are still questions around the route for small and vulnerable schools.
- Growing capacity for support and development as we grow.
- Strengthening working partnerships with other large trusts.
- Increasing alignment across schools on contracts and services in order to increase efficiency and to enable us to do more.
- The removal of the conversion grant creates challenges for schools/trusts as the movement from the maintained to the trust sector continues in our rural area. In recent weeks this has prompted an increased urgency for some schools to submit an application to convert before the deadline on 20th December 2024.

Conclusion

A busy but very positive year for our trust. We have made very significant steps forward in twelve months, most significantly increasing our numbers to 18 schools and approaching 3400 pupils. The year ahead promises to bring a further transformation as we onboard more schools and plug them into the much-needed support and guidance we are now able to provide.

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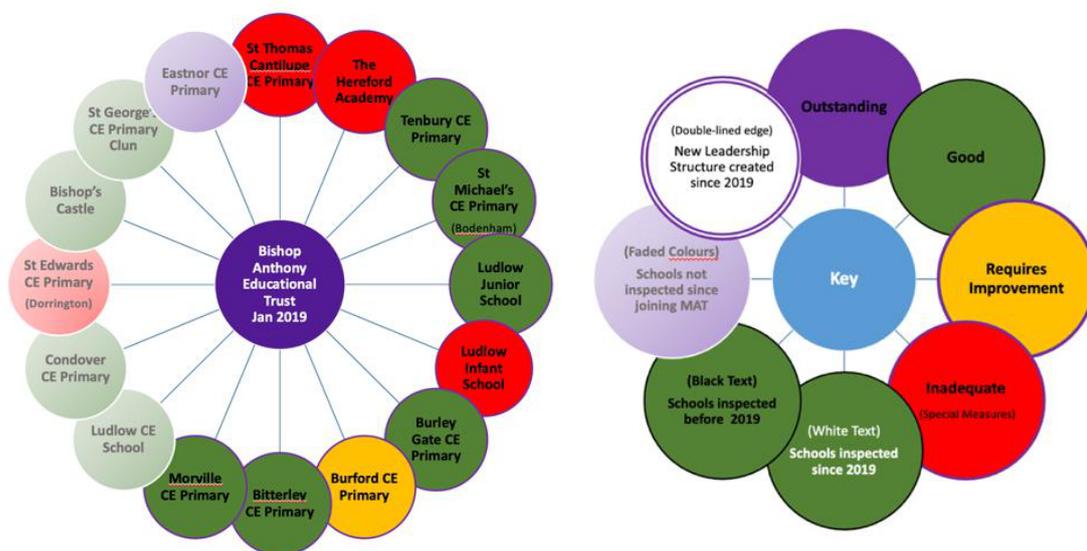
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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

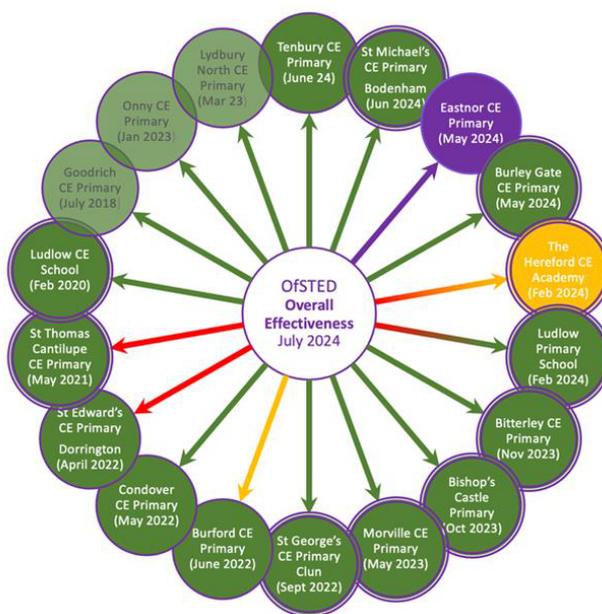
"That they might have life in all its fulness."

Inspections

Academy OfSTED Grading Transformation - January 2019 to September 2024



January
2019



September
2024

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

In July 2021, The Hereford CE Academy has a section 5 OfSTED and came out of special measures. We secured a good judgement for behaviour and for leadership & management. Quality of Education almost crossed the threshold to be judged as good but in the end moved up from inadequate to 'requires improvement' meaning that 'overall effectiveness' was also judged as 'requires improvement'. We were reinspected in Feb 2024 and although significant and ongoing improvements were recognised, the school remained at RI for Quality of Education and consequently overall effectiveness. Behaviour, personal development and leadership were all judged to be good.

Since the reformation of our trust in January 2019, we have had 23 OfSTED inspections (including section 8, 5 and Covid monitoring) 15 of our schools have been inspected by OfSTED at least once. All our schools now have at least good for leadership and management, behaviour and personal development. We have lifted four schools out of special measures in that time (St Thomas Cantilupe, Ludlow Infants, The Hereford CE Academy and St Edward's Dorrington).

OfSTED Report Comments on Trust Impact (2023-24)

The trust's support for the school is strong in ensuring the school's many strengths are enhanced, and all staff benefit from collaborative work with other schools.

Tenbury CE Primary – Summer 2024

Trustees and governors support and hold leaders to account for the decisions taken. Trust leaders have supported the school effectively to make improvements in recent years.

St Michaels CE Primary, Bodenham – Summer 2024

Trust leaders and local governors provide a healthy level of support and guidance. Trust leaders steer the school towards examples of strong practice. They are equally mindful of the school's local context and its distinctive identity.

Eastnor CE Primary – Summer 2024

The multi-academy trust supports the school well. It provides leaders with the opportunity to work with other schools and share expertise, for example in subject leadership and safeguarding. This in turn reduces staff workload. Staff appreciate this and believe that leaders are always ready to listen to their views.

Burley Gate CE Primary – Summer 2024

Staff, including early career teachers, feel that leaders support them well, and consider their workload carefully. Those responsible for governance are committed to the school. They work regularly with leaders and provide effective support and challenge.

The Hereford CE Academy – Spring 2024

The trust offers highly effective challenge and support to the school. Staff speak highly of the development opportunities the trust provides and feel that leaders are mindful of their workload.

Ludlow Primary School – Spring 2024

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

Bitterley CE Primary School – Autumn 2023

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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

Bishop's Castle Primary School – Autumn 2023

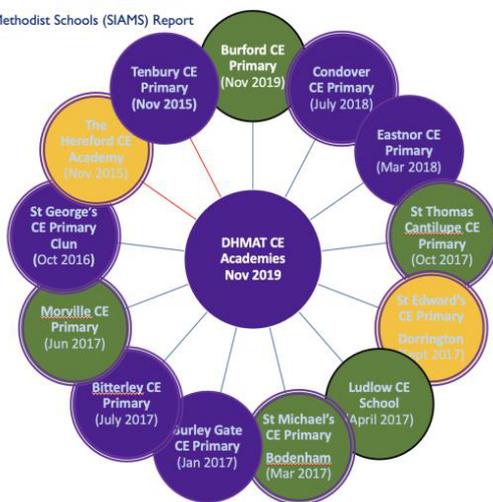
'Trustees hold leaders to account well. Members of the local academy board visit regularly. Consequently, they know the school well and have a clear view of its strengths and next steps.'

Academy SIAMS Grading Transformation

January 2019 to Sept 2024



Statutory Inspection of Anglican and Methodist Schools (SIAMS) Report



4 DHMAT Schools have had a SIAMS since Jan19. Burford (Good); Hereford CE Academy (from Satisfactory to Good); Tenbury (Excellent) and St George's CE Primary (J1 on Sept 23 framework).

6 more inspections expected for 24/25 (Bitterley, Morville, St Michael's, Burly Gate, Ludlow CE and Goodrich)



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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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, £658,361 was carried forward representing 4% of GAG

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2024 this was 93% compared to 98% in 2023.

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

	Target at 1/9/23	Actual at 31/8/24
GAG carry forward	>1.5%	4%
Student attendance	>95.0%	92%
Staff costs as % of expenditure	<80%	72%

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of DHMAT's income is obtained from the DfE via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2024 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 2024, DHMAT received total income of £23,572k (2023: £21,037k) and incurred total expenditure of £23,620k (2023: £20,511k). The excess of expenditure over income for the year was £48k (2023: net income of £526k).

At 31 August 2024 the net book value of fixed assts was £24,196k and movements in tangible fixed assets are shown in Note 14 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Reserves Policy

Following a review of MAT best practice in reserves policy the Directors moved to a % of income metric for 23-24. A minimum of 4% of income is the core target with a stretch target of 7% to allow for further resilience and project development for schools and the central team.

For 23-24 there has been a reduction in reserves to 2.8% (2023: 3.5%) so the Trust has moved further from the minimum %, however for 24-25 this is projected to reverse due to a better-than-expected pay award and grant settlement, moving to over 4% by 31st August 2025.

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

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

Investment Policy

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

Principal Risks and Uncertainties

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

The principal risks and uncertainties facing DHMAT are as follows:

Financial – DHMAT has considerable reliance on continued Government funding through the ESFA. In the last year 90% 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.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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 over 23-24.

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2023	Current reporting year 2023/24	Comparison reporting year 2022/23 (figures are for illustrative purposes)
Energy consumption used to calculate emissions (kWh)	3,575,320	3,627,338
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	380.49	476.33
Kerosene consumption	68.53	89.48
Owned transport	2.81	1.76
Total Scope 1	451.91	567.57
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	248.08	317.52
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned vehicles	4.19	0.59
Total gross emissions in metric tonnes CO ₂ e	726.09	885.68
Intensity ratio Tonnes CO ₂ e per pupil	0.23	0.30

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

- Head office are continuing use of remote meetings, with a significant reduction in travel. Also operating hybrid working, office only open 3 days per week, adjusted heating to reflect this.
- All schools are reducing travel by continuing with Zoom/Team calls
- Several school continue to benefit through the use of LED lighting which has reduced energy usage and costs.
- As part of the 23-24 capital programme several schools had new windows installed to increase energy efficiency
- A new nursery block was completed at Tenbury with the highest standard of energy efficiency measures
- A successful bid was submitted for the SALIX low carbon skills fund for almost £100k which will fund energy surveys in all schools, producing heat decarbonisation plans to support future energy efficiency bids

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

PLANS FOR FUTURE PERIODS

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

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

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

In 2024-25 DHMAT will welcome two new schools into its family of schools whilst a further six have recently agreed to join the Trust. During the next 12 months DHMAT will further explore with ESFA and the Diocese of Hereford, the opportunities to extend the Trust to include further schools/academies in the region.

Next Steps

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

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

DHMAT Growth

We are delighted to be in a position where our family of schools can now grow. We expect to have 20 schools and 3,500 pupils by February 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.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

AUDITORS

In so far as the Directors are aware:

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

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

Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as company directors on 18th December 2024 and signed on the board's behalf by:



W Finn
Chair of Directors



A Teale
Chief Executive

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024**

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	2	4
W Finn, Chair	4	4
A Teale	4	4
M Simmons (resigned 24 January 2024)	2	2
R Pizii	4	4
K Skerrett	2	4
M Laird	3	4
M Beever	4	4
S Brown (resigned 22 January 2024)	1	2

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

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
A Teale	3	3
W Finn	3	3
R Pizii	3	3
M Simmons (resigned 24 January 2024)	0	1

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

REVIEW OF VALUE FOR MONEY

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

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

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risk to achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in DHMAT for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risk to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. The Board of Directors regularly review this process.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

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.

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

The auditor reports to the Board of Directors through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by;

- The work of the internal and external auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the systems of internal control by the Audit and Risk Committee and a plan to address weakness and ensure continuous improvement of the systems in place.

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 on 18th December 2024 and signed on its behalf by



W Finn
Chair of Directors



A Teale
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Diocese of Hereford Multi Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Directors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2023.

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



A Teale
Accounting Officer
Date: 18 December 2024

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

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

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

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



W Finn
Chair of Directors

Date: 18 December 2024

**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 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2024 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 2023 to 2024 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF 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.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

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

USE OF OUR REPORT

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



Andrew Wood FCCA (Senior Statutory Auditor)

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

Date: 20 December 2024

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

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

In accordance with the terms of our engagement letter dated 22 July 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Hereford Multi Academy Trust during the year 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Diocese of Hereford Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. 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 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued March 2024, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 20 December 2024

**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 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
INCOME FROM:						
Donations and capital grants	3	117,966	684,435	656,478	1,458,879	1,352,410
Other trading activities	5	260,390	-	-	260,390	229,242
Investments	6	662	-	-	662	11,026
Charitable activities	4	177,839	21,674,159	-	21,851,998	19,444,358
TOTAL INCOME		556,857	22,358,594	656,478	23,571,929	21,037,036
EXPENDITURE ON:						
Charitable activities	7	334,421	22,438,969	846,240	23,619,630	20,511,211
TOTAL EXPENDITURE		334,421	22,438,969	846,240	23,619,630	20,511,211
NET (EXPENDITURE)/ INCOME		222,436	(80,375)	(189,762)	(47,701)	525,825
Transfers between funds	20	-	-	-	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		222,436	(80,375)	(189,762)	(47,701)	525,825
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains on defined benefit pension schemes	28	-	470,000	-	470,000	2,671,000
Pension surplus not recognised	28	-	(161,000)	-	(161,000)	(142,000)
NET MOVEMENT IN FUNDS		222,436	228,625	(189,762)	261,299	3,054,825

**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 2024**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
RECONCILIATION OF FUNDS:					
Total funds brought forward as previously stated	-	(3,279,700)	22,760,862	19,481,162	18,329,504
Prior year adjustment 19	-	-	1,903,167	1,903,167	-
Total funds brought forward as restated	-	(3,279,700)	24,664,029	21,384,329	18,329,504
Net movement in funds	222,436	228,625	(189,762)	261,299	3,054,825
TOTAL FUNDS CARRIED FORWARD	222,436	(3,051,075)	24,474,267	21,645,628	21,384,329

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

The notes on pages 43 to 78 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 2024

	Note	2024 £	2024 £	As restated 2023 £	As restated 2023 £
FIXED ASSETS					
Tangible assets	14		24,195,844		23,912,037
CURRENT ASSETS					
Debtors	16	1,038,634		620,686	
Cash at bank and in hand		2,293,262		2,806,228	
			3,331,896	3,426,914	
Creditors: amounts falling due within one year	17		(1,976,946)		(1,396,136)
NET CURRENT ASSETS					
			1,354,950		2,030,778
TOTAL ASSETS LESS CURRENT LIABILITIES					
			25,550,794		25,942,815
Creditors: amounts falling due after more than one year	18		(418,166)		(535,486)
NET ASSETS EXCLUDING PENSION LIABILITY					
			25,132,628		25,407,329
Defined benefit pension scheme liability	28		(3,487,000)		(4,023,000)
TOTAL NET ASSETS					
			21,645,628		21,384,329
FUNDS OF THE ACADEMY TRUST					
RESTRICTED FUNDS:					
Fixed asset funds		24,474,267		24,664,029	
Restricted income funds		435,925		743,300	
Restricted funds excluding pension asset		24,910,192		25,407,329	
Pension reserve			(3,487,000)		(4,023,000)
TOTAL RESTRICTED FUNDS					
	20		21,423,192		21,384,329
UNRESTRICTED INCOME FUNDS					
	20		222,436		-
TOTAL FUNDS					
			21,645,628		21,384,329

The financial statements on pages 37 to 78 were approved and authorised for issue by the Directors and are signed on their behalf, by:

W Finn
Chair of Directors



Date: 18 December 2024

The notes on pages 43 to 78 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 2024

	Note	2024 £	2024 £	As restated 2023 £	As restated 2023 £
FIXED ASSETS					
Tangible assets	14		24,195,844		23,912,037
Investments	15		1		1
			<u>24,195,845</u>		<u>23,912,038</u>
CURRENT ASSETS					
Debtors	16	1,039,610		621,662	
Cash at bank and in hand		2,293,262		2,806,228	
		<u>3,332,872</u>		<u>3,427,890</u>	
Creditors: amounts falling due within one year	17		<u>(1,988,496)</u>		<u>(1,407,686)</u>
NET CURRENT ASSETS			1,344,376		2,020,204
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>25,540,221</u>		<u>25,932,242</u>
Creditors: amounts falling due after more than one year	18		(418,166)		(535,486)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>25,122,055</u>		25,396,756
Defined benefit pension scheme liability	28		(3,487,000)		(4,023,000)
TOTAL NET ASSETS			<u>21,635,055</u>		<u>21,373,756</u>
FUNDS OF THE ACADEMY TRUST					
RESTRICTED FUNDS:					
Fixed asset funds	20	24,474,267		24,664,029	
Restricted income funds	20	647,788		732,727	
Restricted funds excluding pension liability	20	<u>25,122,055</u>		<u>25,396,756</u>	
Pension reserve	20		(3,487,000)		(4,023,000)
TOTAL RESTRICTED FUNDS	20		<u>21,635,055</u>		<u>21,373,756</u>
UNRESTRICTED INCOME FUNDS	20		<u>-</u>		<u>-</u>
TOTAL FUNDS			<u>21,635,055</u>		<u>21,373,756</u>

**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 2024**

The financial statements on pages 37 to 78 were approved and authorised for issue by the Directors and are signed on their behalf, by:



W Finn
Chair of Directors

Date: 18 December 2024

The notes on pages 43 to 78 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 2024**

	Note	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	28,284	177,182
CASH FLOWS FROM INVESTING ACTIVITIES			
	24	(418,930)	519,516
CASH FLOWS FROM FINANCING ACTIVITIES			
	23	(122,320)	(125,640)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
		(512,966)	571,058
Cash and cash equivalents at the beginning of the year		2,806,228	2,235,170
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25, 26	<u>2,293,262</u>	<u>2,806,228</u>

The notes on pages 43 to 78 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 2024**

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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

1.2 GOING CONCERN

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **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. ACCOUNTING POLICIES (continued)

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.

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:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

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

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

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

1.7 INVESTMENTS

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

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

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES

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

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

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

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

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

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

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

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

1. ACCOUNTING POLICIES (continued)

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 for £NIL consideration. 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 [name of predecessor school] 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 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Transfer from Local Authority on conversion	22,350	139,793	-	162,143	-
Donations	95,616	544,642	-	640,258	571,478
Capital Grants	-	-	656,478	656,478	780,932
	<u>117,966</u>	<u>684,435</u>	<u>656,478</u>	<u>1,458,879</u>	<u>1,352,410</u>
TOTAL 2023	<u>129,937</u>	<u>441,541</u>	<u>780,932</u>	<u>1,352,410</u>	

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
DFE/ESFA GRANTS				
General Annual Grant	-	16,771,307	16,771,307	15,148,010
OTHER DFE/ESFA GRANTS				
Start Up grant	-	125,000	125,000	-
Pupil Premium	-	895,880	895,880	859,504
Universal Infant Free School Meals	-	288,772	288,772	268,189
Teachers Pension grant	-	155,638	155,638	14,946
PE and Sports grant	-	222,570	222,570	222,537
Supplementary grant	-	-	-	452,121
Mainstream Schools Additionsal grant	-	582,221	582,221	234,892
Other DfE/ESFA grants	-	283,283	283,283	27,934
	-	19,324,671	19,324,671	17,228,133
OTHER GOVERNMENT GRANTS				
High Needs funding	-	547,676	547,676	352,749
Other government grants	-	1,578,160	1,578,160	1,506,380
	-	2,125,836	2,125,836	1,859,129
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	150,822	150,822	150,220
	-	150,822	150,822	150,220
OTHER FUNDING				
Internal catering income	170,062	-	170,062	133,173
Sales to students	7,777	-	7,777	12,849
Other income	-	72,830	72,830	60,854
	177,839	72,830	250,669	206,876
	177,839	21,674,159	21,851,998	19,444,358
TOTAL 2023	146,022	19,298,336	19,444,358	

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lettings	123,390	123,390	118,585
External catering	137,000	137,000	110,657
	<u>260,390</u>	<u>260,390</u>	<u>229,242</u>

6. INVESTMENT INCOME

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest	662	662	11,026
	<u>662</u>	<u>662</u>	<u>11,026</u>

7. EXPENDITURE

	Staff Costs 2024 £	Premises 2024 £	Other 2024 £	Total 2024 £	Total 2023 £
Educational activities:					
Direct costs	13,883,780	675,636	921,994	15,481,410	13,291,955
Support costs	3,030,793	1,780,581	3,327,846	8,139,220	7,219,256
	<u>16,914,573</u>	<u>2,456,217</u>	<u>4,249,840</u>	<u>23,620,630</u>	<u>20,511,211</u>
TOTAL 2023	<u>15,042,647</u>	<u>3,487,909</u>	<u>1,980,655</u>	<u>20,511,211</u>	

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Education	15,481,410	8,139,220	23,620,630	20,511,211
TOTAL 2023	13,291,955	7,219,256	20,511,211	

ANALYSIS OF DIRECT COSTS

	Total funds 2024 £	As restated Total funds 2023 £
Pension finance costs	77,000	95,000
Staff costs	13,512,800	12,043,651
Depreciation	675,636	133,126
Educational supplies	367,882	351,747
Examination fees	109,429	105,633
Staff development	69,113	63,718
Other costs	232,458	197,676
Supply teachers	370,980	230,795
Technology costs	66,112	70,609
	15,481,410	13,291,955

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2024 £	As restated Total funds 2023 £
Pension finance cost	120,000	180,000
Staff costs	3,030,793	2,768,254
Depreciation	168,910	33,282
School fund expenditure	79,239	140,912
Recruitment and support	22,996	25,466
Maintenance of premises and equipment	413,907	379,049
Cleaning	436,759	375,268
Rent and rates	599,900	506,496
Energy costs	507,902	388,569
Insurance	161,105	155,197
Security and transport	90,851	73,278
Catering	717,220	573,718
Technology costs	445,160	442,005
Office overheads	275,388	164,505
Professional services	982,203	991,044
Bank interest and charges	8,737	13,704
Legal costs	7,399	8,509
Legal conversion costs	70,751	-
	8,139,220	7,219,256

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease rentals	26,685	35,190
Depreciation of tangible fixed assets	844,548	2,069,575
Fees paid to auditors for:		
- audit	38,720	36,490
- other services	5,580	5,175

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

10. STAFF

a. STAFF COSTS AND EMPLOYEE BENEFITS

Staff costs during the year were as follows:

	Group 2024 £	Group 2023 £
Wages and salaries	12,567,542	11,234,647
Social security costs	1,216,811	1,069,440
Pension costs	2,759,240	2,507,818
	16,543,593	14,811,905
Agency staff costs	370,980	230,795
Staff restructuring costs	9,492	-
	16,924,065	15,042,700

b. SEVERANCE PAYMENTS

The Group paid 1 severance payments in the year (2023 - Nil), disclosed in the following bands:

	Group 2024 No.	Group 2023 No.
£0 - £25,000	1	-

c. SPECIAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are special severance payments totalling £6,203 (2023: £Nil). Individually, the payments were £6,203.

d. STAFF NUMBERS

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

	Group 2024 No.	Group 2023 No.
Teachers	184	166
Support staff	311	265
Management	23	3
	518	434

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

10. STAFF (CONTINUED)

e. HIGHER PAID STAFF

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

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	15	6
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	4	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	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 (2023 - £349,349).

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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:

	2024	2023
	£	£
St Thomas Cantilupe Church of England Academy	47,433	44,794
Morville Church of England Primary School	20,940	19,639
The Hereford Academy	195,844	175,921
Bitterley Church of England Primary School	26,272	25,743
Tenbury Church of England Primary School	45,025	41,778
St Michael's Church of England Primary School	26,932	24,783
Burford Church of England Primary School	36,889	32,095
Burley Gate Church of England Primary School	19,883	19,209
Ludlow Primary School	87,162	85,812
Ludlow Church of England School	182,490	165,013
Bishop's Castle Primary School	35,337	33,993
Conover Church of England Primary School	29,185	28,493
St Edward's Church of England Primary School	15,427	14,271
St George's Church of England Academy Clun	22,939	20,039
Eastnor Church of England Primary School	28,329	25,818
Goodrich Church of England Primary School	10,858	-
Onny Church of England Primary School	4,467	-
Lydbury North Church of England Primary	2,848	-
TOTAL	838,260	757,401

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 (2023: £115,000-£120,000), Employers pension contributions: £25,000-£30,000 (2023: £25,000-£30,000).

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

During the year ended 31 August 2024, expenses totalling £1,260 were reimbursed or paid directly to 1 Director (2023: £1,244).

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 2024 was £1,120 (2023: £1,143). The cost of this insurance is included in the total insurance cost.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. TANGIBLE FIXED ASSETS

GROUP AND TRUST

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2023	32,299,645	879,305	1,943,200	40,088	35,162,238
Additions	1,060,786	29,940	37,629	-	1,128,355
At 31 August 2024	<u>33,360,431</u>	<u>909,245</u>	<u>1,980,829</u>	<u>40,088</u>	<u>36,290,593</u>
DEPRECIATION					
At 1 September 2023 (as previously stated)	10,708,235	496,244	1,908,801	40,088	13,153,368
Prior Year Adjustment	(1,703,111)	(93,776)	(106,280)	-	(1,903,167)
At 1 September 2023 (as restated)	9,005,124	402,468	1,802,521	40,088	11,250,201
Charge for the year	669,080	120,553	54,915	-	844,548
At 31 August 2024	<u>9,674,204</u>	<u>523,021</u>	<u>1,857,436</u>	<u>40,088</u>	<u>12,094,749</u>
NET BOOK VALUE					
At 31 August 2024	<u><u>23,686,227</u></u>	<u><u>386,224</u></u>	<u><u>123,393</u></u>	<u><u>-</u></u>	<u><u>24,195,844</u></u>
At 31 August 2023 (as restated)	<u>23,294,521</u>	<u>476,837</u>	<u>140,679</u>	<u>-</u>	<u>23,912,037</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
ACADEMY TRUST	
COST OR VALUATION	
At 1 September 2023	1
AT 31 AUGUST 2024	<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	(14,389)

16. DEBTORS

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
DUE WITHIN ONE YEAR				
Trade debtors	58,514	95,350	59,508	96,344
Other debtors	95,572	93,826	95,554	93,808
Prepayments and accrued income	757,081	348,981	757,081	348,981
VAT recoverable	127,467	82,529	127,467	82,529
	<u>1,038,634</u>	<u>620,686</u>	<u>1,039,610</u>	<u>621,662</u>

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
Other loans	123,421	128,421	123,421	128,421
Trade creditors	536,947	352,527	533,372	348,952
Abatement of GAG	27,424	-	27,424	-
Amounts owed to group undertakings	-	-	15,125	15,125
Other taxation and social security	277,344	245,720	277,344	245,720
Other creditors	341,725	256,252	341,725	256,252
Accruals and deferred income	670,085	413,216	670,085	413,216
	1,976,946	1,396,136	1,988,496	1,407,686

Within other loans are loans payable to the DfE with a total balance repayable at the reporting date of £342,454 (2023: £398,353). 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 £199,133 (2023: £265,554). The loans are repayable in six-monthly instalments over the remaining 3 years with an applicable annual interest rate of Nil%.

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
Deferred income at 1 September 2023	198,237	227,726	198,237	227,726
Resources deferred during the year	212,074	198,237	212,074	198,237
Amounts released from previous periods	(198,237)	(227,726)	(198,237)	(227,726)
	212,074	198,237	212,074	198,237

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
Other loans	418,166	535,486	418,166	535,486

Within other loans are loans payable to the DfE with a total balance repayable at the reporting date of £342,454 (2023: £398,353). 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 £199,133 (2023: £265,554). 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

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. Note 14 shows the impact of this adjustment on tangible assets which is £1,903,167. 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 2024**

20. STATEMENT OF FUNDS

	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/ESFA 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)
	<u>(3,279,700)</u>	<u>22,358,594</u>	<u>(22,438,969)</u>	<u>309,000</u>	<u>(3,051,075)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	19,885,442	-	-	-	19,885,442
DfE/ESFA Capital grants	4,778,587	656,478	(846,240)	-	4,588,825
	<u>24,664,029</u>	<u>656,478</u>	<u>(846,240)</u>	<u>-</u>	<u>24,474,267</u>
TOTAL RESTRICTED FUNDS	<u>21,384,329</u>	<u>23,015,072</u>	<u>(23,285,209)</u>	<u>309,000</u>	<u>21,423,192</u>
TOTAL FUNDS	<u><u>21,384,329</u></u>	<u><u>23,571,929</u></u>	<u><u>(23,619,630)</u></u>	<u><u>309,000</u></u>	<u><u>21,645,628</u></u>

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

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

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

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

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

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

Fixed asset funds

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

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

Donations - This represents fixed assets donated to the Multi Academy Trust.

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds - all funds	169,983	516,227	(739,860)	53,650	-	-
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	500,125	15,148,010	(14,851,185)	(53,650)	-	743,300
Other DfE/ESFA Grants	3,816	2,230,343	(2,234,159)	-	-	-
Other Government Grants	-	1,859,129	(1,859,129)	-	-	-
Other Restricted Donations	-	60,854	(60,854)	-	-	-
Pension reserve	(6,428,000)	-	(124,000)	-	2,529,000	(4,023,000)
	<u>(5,924,059)</u>	<u>19,739,877</u>	<u>(19,570,868)</u>	<u>(53,650)</u>	<u>2,529,000</u>	<u>(3,279,700)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	19,885,442	-	-	-	-	19,885,442
DfE/ESFA Capital grants	3,934,768	780,932	62,887	-	-	4,778,587
Donations	4,459	-	(4,459)	-	-	-
Fixed assets purchased from GAG	161,336	-	(161,336)	-	-	-
Location Authority capital grants	97,575	-	(97,575)	-	-	-
	<u>24,083,580</u>	<u>780,932</u>	<u>(200,483)</u>	<u>-</u>	<u>-</u>	<u>24,664,029</u>

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2023 £
TOTAL RESTRICTED FUNDS	18,159,521	20,520,809	(19,771,351)	(53,650)	2,529,000	21,384,329
TOTAL FUNDS	18,329,504	21,037,036	(20,511,211)	-	2,529,000	21,384,329

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024 £	2023 £
Burford Church of England Primary School	(24,149)	(10,827)
Bitterley Church of England Primary School	(115,212)	(89,253)
St Michael's Church of England Primary School	102,813	149,279
Burley Gate Church of England Primary School	125,825	134,960
Central	(357,498)	(347,105)
Ludlow Church of England School	(318,738)	(234,596)
Ludlow Primary School	657,769	589,310
Morville Church of England Primary School	255,774	188,473
St Thomas Cantilupe Church of England Academy	121,590	102,842
Tenbury Church of England Primary School	19,954	73,830
The Hereford Church of England Academy	9,552	(49,451)
Bishop's Castle Primary School	117,848	115,116
Conover Church of England Primary School	30,922	41,274
St Edward's Church of England Primary School	117,073	116,987
St George's Church of England Academy Clun	(181,606)	(77,091)
Eastnor Parochial Primary School	4,089	39,552
Onny Church of England Primary School	39,164	-
Lydbury North Church of England Primary School	100,612	-
Goodrich Church of England Primary School	(47,421)	-
Total before fixed asset funds and pension reserve	658,361	743,300
Restricted fixed asset fund	24,474,267	24,664,029
Pension reserve	(3,487,000)	(4,023,000)
TOTAL	21,645,628	21,384,329

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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	(115,212)
Ludlow Church of England School	(318,738)
Goodrich Church of England Primary School	(47,421)
St George's Church of England Academy Clun	(181,606)
Burford Church of England Primary School	(24,149)
Central	(357,498)

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

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

Bitterley Church of England Primary School - Overspend in 23-24 was due to a combination of sickness absence amongst teaching staff (inc the Head) which required additional agency spend over budget. There was also a trading loss on catering which was charged to us by Shire Services. We are working with an external provider to develop a more cost-effective in-house service, aiming to implement this in Summer 2025.

Ludlow Church of England School - We know from a recent SRMA report that the school has over-capacity in the curriculum of between £200-300k. The Head Teacher at THA will be working to support the new Head at Ludlow to implement IFCP methods to start to release these savings. This will also ensure that spare capacity is used to cover absences before having to use expensive agency cover. We are confident that reviewing the curriculum, alongside the increased NOR will help the school to return to a surplus in the next 2 to 3 years.

St George's Church of England Academy Clun - In 2023 there was a significant increase in NOR and it was agreed for the school to increase teacher numbers in advance of the increased GAG. Over a 3-year period we expect the school to recover the position over a 3-year period. There was an overspend on Shires catering and we are looking to bring the service in-house to make it more cost-effective.

Burford Church of England Primary School - In recent years the school have taken on a number of high needs children requiring 1-1 TA support, funding has not fully covered the costs. The position has now stabilised and we expect the school to recover the deficit position in the next 2 years.

The Central function - The central team was expanded in advance of expected growth which has taken longer than expected so the benefits of increased top-slice have not yet been fully achieved. In recent years there was an expectation of receiving Trust Capacity grant however applications were unsuccessful. Consideration is being given to increasing the top-slice from 5% to 6%, which alongside the general increase in NOR in existing schools and new schools joining will enable the central deficit to be reduced.

Goodrich Church of England Primary School - There was a large deficit on the imprest account which the local authority had not disclosed to the school so was not identified in due diligence. This is a one-off and once corrected will not occur again. We will work with the school to deliver a balanced position and this includes arranging external professional support to review their loss-making catering provision.

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2024 £	Total 2023 £
Burford Church of England Primary School	594,135	80,423	10,542	222,868	907,968	802,128
Bitterley Church of England Primary School	441,326	61,671	19,142	203,037	725,176	674,503
St Michael's Church of England Primary School	502,020	112,241	22,524	175,393	812,178	709,349
Burley Gate Church of England Primary School	400,282	92,613	11,860	140,631	645,386	567,225
Central	67,873	314,327	-	1,491,298	1,873,498	1,586,612
Ludlow Church of England School	2,793,771	495,937	120,486	823,836	4,234,030	3,836,047
Ludlow Primary School	1,512,635	286,731	22,713	347,206	2,169,285	2,006,019
Morville Church of England Primary School	235,808	64,875	3,669	108,842	413,194	395,052
St Thomas Cantilupe Church of England Academy	1,000,325	124,587	21,422	247,048	1,393,382	1,248,183
Tenbury Church of England Primary School	886,641	163,879	2,483	217,173	1,270,176	1,142,311
The Hereford Church of England Academy	2,619,531	781,554	183,800	974,873	4,559,758	4,152,481
Bishop's Castle Primary School	514,546	93,997	18,901	217,363	844,807	786,237

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2024 £	Total 2023 £
Condover Church of England Primary School	514,209	124,020	9,968	153,624	801,821	743,675
St Edward's Church of England Primary School	219,984	43,515	3,336	115,011	381,846	333,038
St George's Church of England Academy Clun	425,367	72,808	11,931	187,963	698,069	643,627
Eastnor Parochial Primary School	434,700	59,308	12,698	197,289	703,995	594,316
Onny Church of England Primary School	83,428	11,256	420	52,652	147,756	-
Lydbury North Church of England Primary School	61,273	8,233	102	30,239	99,847	-
Goodrich Church of England Primary School	203,946	39,818	1,314	74,834	319,912	-
ACADEMY TRUST	13,511,800	3,031,793	477,311	5,981,180	23,002,084	20,220,803

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	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	222,436	2,047,650	1,061,810	3,331,896
Creditors due within one year	-	(1,611,725)	(365,221)	(1,976,946)
Creditors due in more than one year	-	-	(418,166)	(418,166)
Provisions for liabilities and charges	-	(3,487,000)	-	(3,487,000)
TOTAL	<u>222,436</u>	<u>(3,051,075)</u>	<u>24,474,267</u>	<u>21,645,628</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Restricted funds 2023 £	As restated Restricted fixed asset funds 2023 £	As restated Total funds 2023 £
Tangible fixed assets	-	23,912,037	23,912,037
Current assets	2,674,922	751,992	3,426,914
Creditors due within one year	(1,396,136)	-	(1,396,136)
Creditors due in more than one year	(535,486)	-	(535,486)
Provisions for liabilities and charges	(4,023,000)	-	(4,023,000)
TOTAL AS RESTATED	<u>(3,279,700)</u>	<u>24,664,029</u>	<u>21,384,329</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(47,701)	525,825
ADJUSTMENTS FOR:		
Depreciation	844,548	166,408
Capital grants from DfE and other capital income	(565,620)	(780,932)
Defined benefit pension scheme cost less contributions payable	(423,000)	(151,000)
Defined benefit pension scheme finance cost	196,000	275,000
(Increase)/decrease in debtors	(417,948)	2,789
Increase in creditors	585,810	150,118
Interest received	(662)	(11,026)
Cash received from Local Authority on conversion	(143,143)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	28,284	177,182

23. CASH FLOWS FROM FINANCING ACTIVITIES

	Group 2024 £	Group 2023 £
Repayments of loans	(122,320)	(125,640)
NET CASH USED IN FINANCING ACTIVITIES	(122,320)	(125,640)

24. CASH FLOWS FROM INVESTING ACTIVITIES

	Group 2024 £	Group 2023 £
Interest received	662	11,026
Purchase of tangible fixed assets	(1,128,355)	(272,442)
Capital grants from DfE and other capital income	565,620	780,932
Cash received from Local Authority on conversion	143,143	-
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(418,930)	519,516

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2024 £	Group 2023 £
Cash in hand and at bank	2,293,262	2,806,228
TOTAL CASH AND CASH EQUIVALENTS	2,293,262	2,806,228

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	2,806,228	(512,966)	2,293,262
Debt due within 1 year	(128,421)	(22,424)	(150,845)
Debt due after 1 year	(535,486)	117,320	(418,166)
	2,142,321	(418,070)	1,724,251

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27. CONVERSION TO AN ACADEMY TRUST

On 1 May 2024 Goodrich 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 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 loss in the Consolidated Statement of Financial Activities as Expenditure on Charitable activities - 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.

	Restricted funds £	Total funds £
Creditor - representing budget deficit on LA funds	(27,424)	(27,424)
NET LIABILITIES	<u>(27,424)</u>	<u>(27,424)</u>

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.

On 1 July 2024 Onny 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 Shropshire 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 £
Cash - representing budget surplus on LA funds	13,490	57,060	70,550
NET ASSETS	<u>13,490</u>	<u>57,060</u>	<u>70,550</u>

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.

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

On 1 July 2024 Lydbury North Church of England Primary 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 Shropshire 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 £
Cash - representing budget surplus on LA funds	8,860	110,157	119,017
NET ASSETS	8,860	110,157	119,017

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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 £271,745 were payable to the schemes at 31 August 2024 (2023 - £197,730) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 2028.

The employer's pension costs paid to TPS in the year amounted to £1,981,585 (2023 - £1,650,715).

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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 2024 was £1,482,000 (2023 - £1,257,000), of which employer's contributions totalled £1,213,000 (2023 - £1,038,000) and employees' contributions totalled £ 269,000 (2023 - £219,000). 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

	2024	2023
	%	%
Rate of increase in salaries	4.3	4.2
Rate of increase for pensions in payment/inflation	2.7	2.9
Discount rate for scheme liabilities	5.0	5.4
Inflation assumption (CPI)	2.6	2.8

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

	2024	2023
	Years	Years
Retiring today:		
Males	21.5	21.6
Females	24.0	24.0
Retiring in 20 years:		
Males	22.8	22.9
Females	25.7	25.8

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

28. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2024	2023
	£000	£000
Discount rate +0.1%	(347)	(271)
Discount rate -0.1%	352	274
Mortality assumption - 1 year increase	513	315
Mortality assumption - 1 year decrease	(509)	(310)
CPI rate +0.1%	348	273
CPI rate -0.1%	(345)	(270)

SHARE OF SCHEME ASSETS

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

	At 31	At 31 August
	August 2024	2023
	£	£
Equities	9,667,000	7,354,000
Bonds	1,831,000	1,329,000
Property	1,845,000	649,000
Cash and other liquid assets	186,000	142,000
Other	2,186,000	2,563,000
Total market value of assets	15,715,000	12,037,000

The actual return on scheme assets was £959,000 (2023 - £206,000).

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

	2024	2023
	£	£
Current service cost	(790,000)	(887,000)
Interest cost	(866,000)	(740,000)
Interest income	691,000	486,000
Administrative expenses	(21,000)	(21,000)
Total amount recognised in the consolidated statement of financial activities	(986,000)	(1,162,000)

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

28. PENSION COMMITMENTS (CONTINUED)

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

	2024 £	2023 £
AT 1 SEPTEMBER	15,918,000	17,166,000
Conversion of Academy	646,000	-
Current service cost	790,000	887,000
Interest cost	866,000	740,000
Employee contributions	269,000	219,000
Actuarial gains	396,000	(2,866,000)
Benefits paid	(118,000)	(228,000)
AT 31 AUGUST	18,767,000	15,918,000

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

	2024 £	2023 £
AT 1 SEPTEMBER	11,895,000	10,738,000
Conversion of Academy	646,000	-
Interest income	691,000	486,000
Actuarial gains	866,000	(195,000)
Employer contributions	1,213,000	1,038,000
Employee contributions	269,000	219,000
Benefits paid	(118,000)	(228,000)
Administration expenses	(21,000)	(21,000)
Derecognition of pension surplus	(161,000)	(142,000)
AT 31 AUGUST	15,280,000	11,895,000

29. OPERATING LEASE COMMITMENTS

At 31 August 2024 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
Not later than 1 year	32,660	46,172	32,660	46,172
Later than 1 year and not later than 5 years	70,729	26,991	70,729	26,991
Later than 5 years	-	3,123	-	3,123
	103,389	76,286	103,389	76,286

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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 ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 £41,583 (2023: £62,605) from the company. This income was in relation to Andrew Teale's remuneration recharge. The Trust also made purchases totalling £Nil (2023: £2,850) from the related company.

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.