

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	W Finn Corporate member of the Diocese of Hereford Educational Trust S Pratley S Borthwick (deceased 1 December 2020)
<b>Directors</b>	P Banford (resigned 14 September 2020) W Finn, Chair R Pizii M Simmons K Skerrett A Smith L Stevenson (resigned 18 October 2021) A Teale, Chief Executive C Watson
<b>Company registered number</b>	08762217
<b>Company name</b>	Diocese of Hereford Multi Academy Trust
<b>Principal and registered office</b>	Unit 11 The Business Quarter Sheet Road Ludlow SY8 1FD
<b>Accounting Officer</b>	A Teale
<b>Senior management team</b>	A Teale, Chief Executive Officer D Lewis, Chief Finance Officer P Poulton, Senior Education Officer
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
<b>Solicitors</b>	Stone King LLP 13 Queen Square Bath BA1 2HJ

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Academies in the Trust** Bishop's Castle Primary School  
Bitterley Church of England Primary School  
Burford Church of England Primary School  
Burley Gate Church of England Primary School  
Condover Church of England 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  
St Michael's Church of England Primary School, Bodenham  
St Thomas Cantilupe Church of England Academy  
Tenbury Church of England Primary School  
The Hereford Academy  
Eastnor C of E Primary School

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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The Directors present the annual report together with the financial statements and auditor's report of the Charitable Company for the year end 31 August 2021. The annual report serves the purpose of both a Trustees' report, and as Directors report under company law.

The Trust operates 13 primary and 2 secondary academies in The Diocese of Hereford. These academies have a combined pupil capacity of 4,001 and had on roll of 2,924, including nursery, in the school census on 1 October 2020.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

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

**Members' Liability**

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

**Directors' Indemnities**

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

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

DHMAT runs a number of academies including Church of England and Community academies. To ensure that the vision and ethos of the Church of England is upheld in the Church academies. The 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 is reflected in DHMAT's Articles of Association.

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

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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The Board as at 31 August 2021 consist of:

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

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

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

The training and induction provided for new Directors will depend upon their existing experience but would always include an offer to visit DHMAT's academies and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only 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 developments 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 to ensure the financial probity of DHMAT.

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

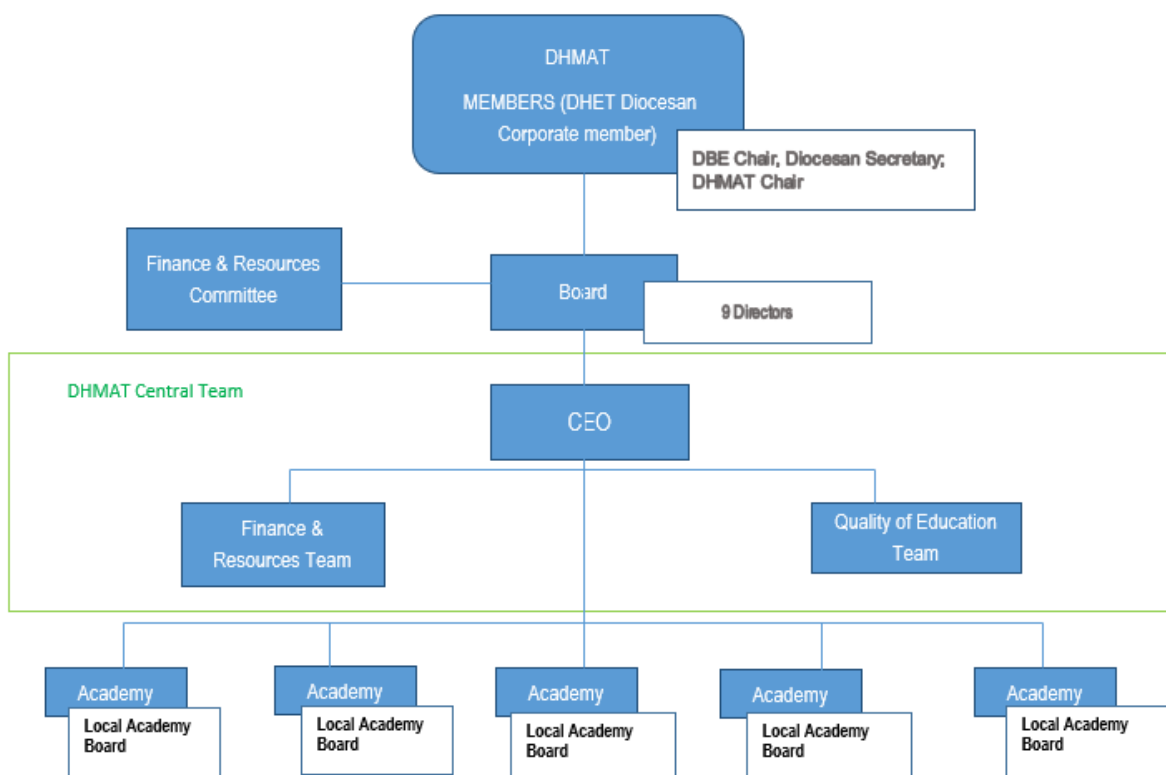
- Finance and Resources Committee – this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with report and regulatory requirements and reporting, receiving reports from the Responsible Officer/Internal 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 evaluating and reviewing 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.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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



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

A Local Academy Board (LAB)/Strategic Task Group (STG) has been created for each academy on conversion to undertake the day-to-day running of their individual academies in line with their respective SoDAs. In principle, these bodies should consist of no fewer than five and no 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.

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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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The Chief Executive Officer is the Accounting Officer.

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

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

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

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

**Trade Union Facilities Time**

**Relevant Union Officials**

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

**Percentage of time spend on facility time**

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

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

Total cost of facility time	£2,338
Total Pay bill	£14,290,127
Percentage of total pay bill spend on facility time	0.02%

**Paid Trade union activities**

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

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

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; and
- Half termly meetings with the Headteacher.



**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

There have been no tenders in the financial year.

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

**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 and its 'Deeply Christian, Serving the Common Good' vision for Education is central to our diocese and our trust.

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

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

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

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

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

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

**A Light of Grace – The 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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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the things that go wrong are faced in that spirit can nurture in children a lifetime of perseverance in hope. - ***Called Connected Committed CEFEL 2020***

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

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

**A Light for Family**

"The Diocese of Hereford has seldom held and is never likely to hold, a very conspicuous place among the dioceses of the Church of England, but it has claim to represent that unobtrusive phase of life which is expressed to us in the notion of family." - ***A Diocesan History – 1888 By Henry Wright Phillott - Extract from Saints and Sinners of the Marches by Michael Tavinor***

Our diocese and our trust 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 fulness.

**Aims**

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

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

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

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

DHMAT's mission is to establish and manage a family of academies, where inclusive values and academic excellence enables studies to learn within an environment of respect for themselves and others. The aims of DHMAT during the year ended 31 August 2021 are summarised below:

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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- 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; and
- To recognise and enable those who often remain invisible, through ethnic or cultural disadvantage, or through disability or poverty.

DHMAT adopts a collegiate approach to developing communities of excellence, working in partnership with DHMAT academies and other educational partners to design flexible models of working which are tailored to match the needs of each academy.

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

**Objectives, Strategies, and Activities**

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

Key priorities for the year are set out below:

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

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

**Covid Response and Recovery:** To continue to respond robustly to the challenges created by the evolving pandemic in order to minimise the negative impact on the education of our children and young people.

**Continued Professional Development:** To implement a CPD programme for our academies to ensure that our staff have the right skills to further raise standards, deliver good teaching and learning and disseminate good practice, ensuring 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.

**Financial Strength:** Rigorous pursuit of balanced budgets and careful use of resources, ensuring best value for money in the provision of our public education services, in order to continue to build the financial stability and security of our multi-academy trust.

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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; and
- 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 foregoing by maintaining, managing, and developing school, offering a broad curriculum.

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

**STRATEGIC REPORT**

**Achievement and Performance**

**Introduction – An Exceptional Year (once again)**

The 2020-21 academic year has been very successful for the Diocese of Hereford Multi-Academy Trust, despite being dominated by the Covid pandemic which first began to impact education in March 2020. The Covid-crisis has been dramatic and is unprecedented in the history of our nation's education system.

Though we have continued to make progress, as planned in a number of key areas, the last year has been dominated by Covid-19 in DHMAT, as it has been for the rest of the education sector and indeed the whole nation.

It has been the most challenging time for the education sector, since the Second World War and our educational professionals have risen to this challenge. It has been a year of uncertainty, of rising and falling infection rates of a virus which has taken the lives of 123,000 people.

**The Prologue that was the Preceding Academic Year**

On March 18th 2020 (at the mid-point of the 2019-20 academic year) it had been announced that schools across the UK would close to all pupils except those of key workers. Schools had to reinvent themselves. On-site attendance was initially very low but slowly grew and we encouraged those identified as vulnerable and children of Critical Worker families to attend. At the same time schools tried to provide the best support possible to those children learning at home with parents and carers.

The initial, most significant barrier was the available access to technology. Schools were creative, as always, and found ways to support as well as they could. Over time, with government support, innovative local schemes and creative approaches from schools, we significantly improved access on online learning opportunities but initially it was very patchy.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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This first lockdown began to lift in primary schools on 1st June 2020, when Reception, Year 1 and Year 6 briefly returned to the classrooms.

For many children, there has been an impact on their academic development that is not yet fully quantified, but it has been the missed 'rites of passage' that was perhaps the most irreparable impact of the first lockdown period. Most of the long-anticipated events that mark their transition to the next phase of education were lost. Children ended their 7 years at primary, with very little fanfare. Young people ended their five years at secondary school or time in sixth form with no chance to really prove what they had learned and properly celebrate their 'graduation'. No proms. No leavers services, no concerts or summer plays. No sports days. This was the prologue to the beginning of the 2020-21 academic year in September 2020.

**Lockdown 2**

In September 2020, all children returned to school at the start of the new academic year.

As the infection rates began to rise for the second time, on 31st October 2020, the Prime Minister announced that people in England would be told to stay at home for four weeks as the country was placed under a second national lockdown, with the closure of hospitality and non-essential shops. Schools were not included in this second national lockdown however, so for the education sector, it felt very different from the first. Schools were focussed on learning in 'bubbles' with minimal interaction between each bubble. School operation was still very far from 'normal'. There were restrictions on movement around school sites. No whole school gatherings. Some curriculum restrictions.

Expectations increased around the quality of remote provision available for children. Technological barriers had to be overcome and OfSTED began to survey what was being offered in schools (see inspection section).

Positive cases in schools were a reality in lockdown 2. Each one, resulted in strategic conversations with Public Health England, and usually meant that the whole bubble would need to self-isolate at home for two weeks. That required the school to switch back to remote provision for that particular group, while continuing to offer on-site provision for those that were still in school. This provided Rubik-cube like organisational challenges for headteachers. New routines would be created and implemented only then to be further disrupted if there was another positive case.

We had examples where staff, including headteachers, became ill with Covid 19. We also had cases where staff and children were bereaved as a result of the pandemic.

As November turned into December there was some hope that the worst was over, but this proved premature. By the time the Autumn term and 2020 came to an end, it was clear that the challenges of the pandemic had not yet passed.

**Stephen Borthwick – DHMAT Member and Chair of Hereford Diocesan Board of Education**

In late December, Stephen Borthwick died suddenly but peacefully. Stephen was Chair of the Diocesan Board of Education. He sat on the Diocese of Hereford Educational Trust (Hereford Diocese's umbrella authority for all our Church of England Academies).

Stephen was also one of DHMAT's Board of Members. Stephen's funeral took place in January, near his home in Whitchurch. It was not possible for many to attend, because of Covid restrictions, but children from the local school lined the approach to the church.

Stephen's position as chair of the Diocesan Board of Education was taken on by the Right Revd Richard Jackson, Bishop of Hereford for the remainder of the academic year.

**Lockdown 3**

As the second wave, with its new more infectious variants really took hold just before Christmas 2020, expectations grew that a third lockdown was imminent. Nevertheless, we continued to prepare for a full return to school at the start of the Spring term during the Christmas shutdown.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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A number of teaching unions recommended that their members did not return to school at the start of term. Headteachers consequently struggled to ensure that staffing levels would be adequate for 'normal' school operation.

In some schools, children did return in large numbers on 4th January for their first day of term. In DHMAT, schools had a training day and so, thankfully, we did not have that single day with hundreds of children in school.

On the evening of the 4th January 2021, the Prime Minister announced the start of the third national lockdown, which did include schools once again. From 5th January, the following day, schools were required to switch back to remote learning for all but vulnerable groups and children of critical workers. This process was made more difficult with no time to prepare.

The switch over did take place and, within a day or two, we were back with most children learning from home with parental support. This time we saw much higher levels of attendance on site as the definition of 'Critical Worker' had been broadened and it was made clear that only one parent needed to be eligible. Headteachers needed to engage sensitively and skilfully with their parent body to ensure the right families were accessing the on-site provision.

We made further steps forward with access to technology and the digital offering from our schools has become much stronger with the addition of digital worship sessions, and a plethora of digital resources now available to support learning at home.

By half term, the government had promised two weeks' notice for any planned change to education provision. This helped ensure some respite for school leaders during the half term break. On Monday 22nd February, as the second wave began to subside and with almost 20 million of our most vulnerable adults having received their first dose of the Covid-19 vaccination, the Prime Minister announced the intention for all schools to fully reopen on Monday 8th March.

**Special Covid-19 Measures**

Although our schools remained open throughout for vulnerable children and children of critical workers, significant numbers of children spent many months learning from home. This required a herculean effort from parents and schools to ensure a remotely accessible curriculum was, available to all pupils. Our secondary schools have had to develop a capacity to carry out on-site (lateral flow) testing for Covid-19. All school staff are now carrying out bi-weekly lateral flow tests.

Schools had to learn to cope with ever-evolving systems and continual reorganisation, to keep children and staff safe. Regular hand washing, increasing social distancing, constraining interactions between groups of children in 'bubbles' had become a normal part of school life. At this point in the pandemic, one positive case, typically resulted in all children self-isolating at home, so schools have had to keep the bubbles as small as they can.

**Inspections**

Most OfSTED and all SIAMs activity was suspended in March 2020, however during the Autumn of 2020, OfSTED began what were essentially surveying inspections to check how schools were responding to the lockdown limitations and what they were managing to provide for pupils. Initially these involved a limited visit to the school site, but they later became a remote process using online video communication technology.

In undertaking this focused work, HMI visited a broad range of schools. Their stated intention was to visit a sample of:

- approximately 1,200 schools across all OfSTED grades (outstanding, good, requires improvement and inadequate)
- maintained schools, academies and free schools, special schools and centres of alternative provision, including those in cities, and coastal, town or rural communities.

**TRUSTEES' REPORT (CONTINUED)  
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The information from these visits fed into OfSTED's national reporting so that insights could be shared with the government and the education sector.

In DHMAT we received four of these 'inspections':

- St Thomas Cantilupe CE Primary – 29th September 2020 (On site process)
- The Hereford Church of England Academy – 13th October 2020 (Remote process)
- Morville CE Primary - 10th November 2020 (Remote process)
- St Georges CE Primary, Clun - 1st December 2020 (Remote process)

Each school received a letter, which was published on the OfSTED website. These letters summarise the response made by the school from September 2020 but do not make evaluative judgments. Pleasingly, they all included the phrase, 'We did not find any significant concerns during the visit.'

In the Spring Term of 2021, OfSTED began carrying out more substantial 'additional remote monitoring inspections'.

The Hereford Church of England Academy – received an additional remote monitoring inspection on the 27th & 28th January 2021. This was carried out by two HMIs.

The process could not change grades or remove special measures. It made the key judgment:

'Leaders and those responsible for governance are taking effective action to provide education in the current circumstances.

You (headteacher) and your staff are successfully providing education for pupils in the current circumstances. You have worked hard to ensure that all pupils have the equipment they need to be able to work at home. For example, you have provided many families with a laptop and internet access. Teachers provide interesting work, using a varied range of resources. They explain new content well. They provide opportunities for pupils to ask questions. They give regular feedback on the work that pupils complete.'

On Governance: "Members of the STG and LAB have a good understanding of the actions that leaders are taking to ensure that pupils receive education at this time. They support and challenge leaders well. They are contributing very effectively to the school's work."

St Thomas Cantilupe CE Primary– received a successful additional remote monitoring inspection on 3rd March 2021. This will be carried out by one HMIs on a single day. It made the same key judgment:

'Leaders and those responsible for governance are taking effective action to provide education in the current circumstances.

Leaders have put in place an effective remote education offer so that all pupils can continue their education in the current circumstances. You have made sure that remote education is available for pupils. Pupils know that teachers expect them to follow a similar timetable to their friends in school. There are clear expectations about the completion of work. Pupils welcome feedback they get from teachers. They say it is useful and that they are given additional support if they find something difficult.'

On governance: 'Trust leaders and members of the newly formed strategic task group hold leaders to account effectively. While they are mindful of the delays caused by the pandemic, they continue in their work to assure themselves that the best possible education is being provided for pupils. Governors have a particular focus on the educational provision for vulnerable pupils and pupils with SEND. They hold regular discussions with leaders to check the provision for pupils' learning, safety and well-being.'

By the summer term of 2021, OfSTED inspections developed so that they could, once again, remove special measures from schools which could demonstrate sufficient improvement.

**TRUSTEES' REPORT (CONTINUED)  
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In May 2021, OfSTED returned to St Thomas Cantilupe CE Primary for a section 8 inspection which was deemed a section 5 at the end of the first day. This meant inspectors returned for a second day. At the end of the second day, the school was formally removed from special measures.

The judgments placed the school as 'good' for: quality of education, behaviour & attitudes, personal development and leadership and management. The overall effectiveness of the school was therefore also judged to be good, 2 years and 5 months after being rated as inadequate (Dec 2018).

It was an extremely emotional moment when special measures were officially removed. Staff were overjoyed. The Headteacher and her team were exceptional in driving the transformation and we can be satisfied that at every level in the trust and in the diocese, we made important contributions to the improvement journey that was so desperately needed for the children and families of this school community.

This judgment means a huge amount for the school community, and it is very important for DHMAT and for the Hereford Diocese as a whole.

An opening section from the OfSTED Report:

**“What is it like to attend this school?”**

*Pupils feel safe and happy at St Thomas Cantilupe Church of England Academy. A strong sense of community fills the school. Staff are proud to work here. One staff member commented, 'There is a real feeling of team here.' Other staff echo this.*

*Pupils' behaviour is good. Pupils play well together at social times and concentrate during lessons. Pupils told us bullying hardly ever happens. Adults quickly resolve the rare fallings out. Pupils respect people's differences.*

*Over the past two years, the school has improved significantly. All staff have high expectations of pupils and expect them to work hard. Pupils respond well to the challenge.*

*Pupils speak positively about the wide-ranging enrichment opportunities they had before COVID-19 (coronavirus). Parents and carers are overwhelmingly positive about the changes that have taken place. A typical comment sums up the views of many: 'The school has changed dramatically for the better under the new leadership. The expectations are so much higher now.'*

The Hereford Academy received a section 8 OfSTED on 30th June & 1st July 2021. The inspection converted to a section 5 inspection at the end of day 1 and the school was removed from special measures at the end of day 2.

The judgments placed the school as 'requires improvement' for quality of education and overall effectiveness. The academy received a judgment of 'good' for behaviour & attitude and leadership and management. Personal development and wellbeing was judged to be 'outstanding'.

The Hereford Academy was placed in special measures on 20th November 2018. The removal of special measures from THA was a hugely significant moment both for the school and the trust.

There are many who played a part in delivering the improvements recognised during the inspection. The exceptional school leadership of the headteacher was instrumental in securing the transformation of this important school. We have also built a strong leadership team to support the headteacher, who have delivered this achievement in spite of the considerable challenges of the pandemic.

*“Tolerance and respect for others run through everything this school does. Governors and leaders set a fine example. Staff are committed to getting the best from pupils and keeping them safe. The school is a welcoming and caring community where pupils are safe, happy and well supported.”*



**TRUSTEES' REPORT (CONTINUED)  
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*"The school's work to improve pupils' reading is proving successful. Teachers in all subjects focus on improving pupils' vocabulary and spelling. Form tutors read to their form groups. Pupils are encouraged to read books. Staff provide good support for pupils who find reading difficult.*

*The promotion of pupils' personal development is exemplary. Leaders carefully plan and review this provision with pupils' needs and interests in mind.*

*The Diocese of Hereford Multi-Academy Trust (DHMAT) and the school's governors have played a full part in the school's recent improvement. They are committed to the school. They provide effective support and challenge to its leaders."* - **The Hereford Academy OFSTED Report – Published September 2021**

**Public Examinations & Tests**

When the Prime Minister announced the January 2021 lockdown, he also announced that summer 2021 public examinations would also be cancelled. The government ran a consultation on how best to carry out assessments in 2021.

Algorithms were not to be used in 2021, as they had been in 2020. Instead the grades were based on rigorous teacher judgments.

**Overview of Teacher Assessed Grades for the 11-16 sector**

This year's GCSE results were totally informed by Teacher Assessed Grades (TAGs). The TAGs were submitted to the examination boards following rigorous internal marking and moderation. Both secondary academies operated systems that were predicated upon integrity and realism, and there were no appeals from the students in either school. Only one grade was amended by the boards, and, actually, that was to increase a grade. Obviously, the usual Progress 8 measure is redundant for external reporting, and the "value-added" measure is developed against all other schools nationally; as there could be "turbulence" in the system, in terms of accuracy and process, any such measure must be treated with extreme caution. Attainment 8 figures are a reasonable measure, and can be compared, to some extent, with the Estimated A8 figures; 10 A8 points is roughly equivalent to a grade. Therefore, if a school's Attainment 8 figure increased by 5 points, then all students have improved by half a grade, on average, in each qualification. For context, Ludlow School would be expected to have an Attainment 8 figure of a third of a grade, or 3 points, higher than The Hereford Academy.

**The Hereford Academy Year 11 Results**

Attainment 8 (A8) increased to 40.08 (estimated A8 = 48.71); this is a grade average improvement from the last external validated examinations in 2019 (A8 30.03). Importantly, of THA's cohort of 99 students, only 85 count in any measure, due to transition within this year group and the number of students new to the country (with no previous primary school education in the UK). Humanities and Science are displaying concrete evidence of improvement, whilst Art, Performing Arts, ICT, Photography and History performed well (all with over 50% of students performing at least at their aspirational target level). Overall, 40.0% of grades achieved were awarded at, or above, F20 target.

There are significant progress gaps in terms of PPG students and SEND students.

Progress/Value Added Rankings: Humanities, Science, Maths, Languages, English

**Ludlow CE School Year 11 Results**

Attainment 8 increased to 48.06 (estimated A8 = 51.84); this is half a grade improvement from the last validated examinations in 2019 (43.27). English and Maths continue to evidence improvement under new leadership, and this is expected to continue. Other notable subject performance exists in MFL, History, Chemistry, Health & Social Care, Art, Physical Education, Child Development, Food & Nutrition, Dance, Drama and D&T (all with over 50% of students performing at least at their aspirational target level). Overall, 57.1% of grades achieved were awarded at, or above, F20 target.

There is significant progress gap in terms of Boys.

Progress/Value Added Rankings: Languages, Maths, Humanities, English, Science

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**TRUSTEES' REPORT (CONTINUED)  
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The Hereford Church of England Academy: GCSE Outcomes 2021								
Measure		All	Male	Female	SEND	Non-SEND	Disadv	Non-Disadv
<b>Key Stage 4 Cohort</b>	Number of Students at end of KS4	99	52	47	11	88	45	54
<b>Progress 8 &amp; Attainment 8</b>	Progress 8	NA	NA	NA	NA	NA	NA	NA
	Attainment 8 (estimated A8 = 48.71)	40.08	38.28	41.93	27.73	41.55	33.88	45.12
<b>Ebacc</b>	% of cohort achieving the English Baccalaureate at Grade 4 or above	7.1	7.7	6.4	0	8	2.2	11.1
	% of cohort achieving the English Baccalaureate at Grade 5 or above	7.1	7.7	6.4	0	8	2.2	11.1
	% of cohort entering the English Baccalaureate	9.1	11.5	6.4	9.1	9.1	4.4	13
	Ebacc average point score	3.38	3.33	3.44	2.35	3.51	2.74	3.92
<b>Ebacc Subjects</b>	% of cohort attaining a standard pass (Grade 4) or above in English	60.6	55.8	66	45.5	62.5	46.7	72.2
	% of cohort attaining a strong pass (Grade 5) or above in English	34.3	32.7	36.2	18.2	36.4	22.2	44.4
	% of cohort attaining a standard pass (Grade 4) or above in maths	56.6	59.6	53.2	27.3	60.2	40	70.4
	% of cohort attaining a strong pass (Grade 5) or above in maths	38.4	42.3	34	18.2	40.9	24.4	50
<b>The Basics</b>	% of cohort attaining a standard pass (Grade 4) or above in English & maths	48.5	48.1	48.9	27.3	51.1	33.3	61.1
	% of cohort attaining a strong pass (Grade 5) or above in English & maths	27.3	28.8	25.5	18.2	28.4	15.6	37

Ludlow Church of School: Teacher Assessed Grades - GCSE Outcomes 2021								
Measure		All	Male	Female	SEND	Non-SEND	Disadv	Non-Disadv
<b>Key Stage 4 Cohort</b>	Number of Students at end of KS4	113	63	50	21	92	31	82
<b>Progress 8 &amp; Attainment 8</b>	Progress 8	NA	NA	NA	NA	NA	NA	NA
	Attainment 8 (estimated A8 = 51.84)	48.06	45.4	51.42	32.74	51.56	43.5	49.79
<b>Ebacc</b>	% of cohort achieving the English Baccalaureate at Grade 4 or above	21.2	17.5	26	4.8	25	6.5	26.8
	% of cohort achieving the English Baccalaureate at Grade 5 or above	17.7	14.3	22	4.8	20.7	6.5	22
	% of cohort entering the English Baccalaureate	23.9	19	30	4.8	28.3	9.7	29.3
	Ebacc average point score (per subject)	4.05	3.81	4.34	2.63	4.37	3.56	4.23
<b>Ebacc Subjects</b>	% of cohort attaining a standard pass (Grade 4) or above in English	80.5	73	90	57.1	85.9	74.2	82.9
	% of cohort attaining a strong pass (Grade 5) or above in English	61.9	50.3	64	19	71.7	45	66
	% of cohort attaining a standard pass (Grade 4) or above in maths	75.2	71.4	80	33.3	84.8	58.1	81.7
	% of cohort attaining a strong pass (Grade 5) or above in maths	51.3	49.2	54	14.3	59.8	39	58
<b>The Basics</b>	% of cohort attaining a standard pass (Grade 4) or above in English & maths	70.8	65.1	78	33.3	79.3	54.8	76.8
	% of cohort attaining a strong pass (Grade 5) or above in English & maths	48.7	47.6	50	9.5	57.6	32.3	55

**TRUSTEES' REPORT (CONTINUED)  
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**Primary Academies**

All national testing, including phonics, KS1 and KS2 tests were cancelled as a result of the pandemic. Consequently, there is no summative data to report in the following sections.

**Bishop's Castle Primary School**

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

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

Curriculum: Major initiatives have included the purchasing of new curricula for Computing and Relationships Education.

Premises: Completely replaced all large outdoor play equipment.

Staffing: Changed the way we use Pupil Premium funding, away from a withdrawn from class individual or small group "tutorial" model, to reducing teaching group sizes and improving the quality of interventions by HLTA training.

Governance: New strategic task group introduced with increased trust executive support.

**Bitterley CE Primary School**

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

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

Last year saw significant changes within the leadership structure. An extended period of headteacher absence, required a significant period of 'acting up' within the school. A significant amount of curriculum development work and further development of subject leadership took place.

Following the resignation of the headteacher, a new executive headteacher was appointed as well as a new head of school for September 2021.

Children's toilets had a major refurbishment and the technology infrastructure, including the Wi-Fi network had a major upgrade.

The local governance structure was strengthened through increased executive support for local governors' systems and procedures.

**Burford CE Primary School**

Burford CofE Primary School is small rural primary school on the border of Shropshire and Worcestershire. It consists of 5 classes made up of 2 year groups in each class. The children come from Burford village and the neighbouring town of Tenbury Wells as well as smaller villages in the area.

Burford became a converter academy in July 2015. Its most recent OfSTED inspection was carried out in November 2018 when it was judged to be 'requires improvement'. The current headteacher took up post a

**TRUSTEES' REPORT (CONTINUED)  
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few weeks before the inspection. Burford's most recent Church of England, (Section 48) inspection took place in November 2019, when it was judged to be good under the challenging new inspection framework.

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

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

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

The last year has been about developing and embedding our curriculum. Our drivers or 'flourishes' now link to our 'Head, Hearts and Hands' curriculum. 'Head' is the academic side, which we continue to develop through our 2 year rolling programme designed to ensure our children develop and make progress to allow them the best possible outcomes. Our 'Hearts' are the flourishes (what we need to develop in order to flourish) and our cultural capital. Our 'Hands' are how we can help others both in school and the wider community. In December 2020, as part of the Archbishop of York's Young Leaders programme, we handed out hampers we had made which included a DVD with Christmas songs recorded for the local warden led residents to enjoy. We were filmed handing these out by ITV Central News. In the Spring time a different class sang songs and played games with the residents. This is an area we very much hope to continue to develop over the next academic year.

A Strategic Task Group was also introduced to add trust executive support for local governance systems.

**Burley Gate CE Primary School**

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

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

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

Burley Gate C E Primary School was very pleased to take ownership of a purpose- built Nursery building last year. The building was recommissioned, and improvements made to ensure health and safety requirements were fully met. The local community also contributed to improving the grounds and the outside environment. The appointment of 2 well-qualified members of staff, from a local DHMAT school led to the provision opening in September 2021. This is a welcome addition to the provision available for the children in Burley Gate and the surrounding area.

The PE curriculum for KS1 has been developed with the purchase of balance equipment, bicycles and trikes. This has greatly enhanced the children's physical activity and led to very active playtimes. The mathematics curriculum has benefited from the purchase of new resources to further the approaches adopted following our involvement with the local Maths Hub.

The school also had a change in its staffing structure with the appointment of a new Head of School.

**Condover CE Primary School**

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

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

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

The school's vision and values were refocused and deepened in 2020.

A major roofing project began in the oldest part of the school in the summer of 2021.

The school's leadership team responded positively to the support needs of another school within the trust when their headteacher resigned. There is now an executive headteacher for Condover CE Primary, St Edward's CE Primary (Dorrington) and Bitterley CE Primary.

**Eastnor CE Primary School**

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

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

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

Eastnor Primary School has continued to thrive during the 2020/2021 academic year and the number of pupils on roll has now reached 100; this demonstrates the popularity of our small, rural school.

School leaders and stakeholders continue to strive for even higher standards and greater progress. The school's academic success has continued, in spite of challenges due to the pandemic, and internal data continues to demonstrate that pupils achieve excellent results in terms of attainment when they leave us in Year 6. Progress scores in Reading, Writing and Mathematics also remain consistently in the highest percentiles nationally.

School leaders and stakeholders are also passionate about continuing to improve the outdoor learning environment for all pupils. In 2020, the playground area was renovated. To achieve this, a gas tank was buried and the playground redesigned and resurfaced. In 2021, further improvements were made to outdoor learning provision when the school's allotment was redeveloped to create a workable and inspiring learning environment for all classes.

We are currently undergoing work to improve security of the school site by installing new pillars – which will be made from stone so they are in keeping with the aesthetics required in this area of outstanding natural beauty – and a new front gate. This work will be completed in the autumn term 2021/2022.

**Ludlow Primary School**

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

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

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This was the second year as Ludlow Primary School following the amalgamation of Ludlow Infants School and Ludlow Junior School, which are sited just a short distance from each other on separate sites. Despite the additional challenges caused by the pandemic, the school continued its journey of uniting two long-standing schools along with their staff and pupils into one cohesive and supportive team. To enhance wellbeing provision for pupils, we introduced Woody – our school dog – to the staff team. We embraced the importance of looking after staff and created two wellbeing gardens, one on each site, for staff to enjoy when taking their lunch breaks. The academy received wonderful support from parents, staff, and the local community when we launched a fundraising campaign to purchase laptops for pupils' use. Overall, we raised in excess of £6,000 for the laptops, books and our breakfast club. We were able to upgrade all our light fittings and bulbs throughout the school to energy efficient lights. We enlarged and re-developed our Nursery (children from 2 years old to pre-school) and we now offer a spacious well-equipped indoor learning environment and a large outdoor area for exploration and play. In a new venture, we employed our first PE & Sport Apprentice which was extremely positive for both the school and the apprentice; we will continue this practice into the future. We said a sad farewell to a number of staff at the end of the school year including our KS1 Assistant Headteacher.

**Morville CE Primary School**

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

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

Key appointments: Through the SLA with the Trinity Federation, a new Head of School took up post in September 2020. The new Head of School quickly established herself in her new role and gained the trust and respect of the school community. She is also Head of School at Beckbury School and is very proficiently managing her time across the two schools. The impact of this change in day-to-day leadership at Morville realised a significant increase in pupil numbers at the beginning of the year, with Reception intake being at PAN and some mid-term transfers, despite the pandemic.

In the academic year 2020/21 we also established a new staff team at Morville and a new class structure of three FTE class teachers. This included the employment of an NQT who proved to be a significant asset to Morville School.

The Head of School completed her training as Mental Health First Aider (MHFA England) for Morville School and The Trinity Federation. Her training covered young people and adults.

Curriculum developments: In the academic year 2020/21 subject leadership capacity at Morville School developed, with key subject leaders within The Trinity Federation taking an increasingly lead role in developing their subject across both The Trinity Federation and Morville School. Subject leaders within Morville School also had access to networks of 'experts' within the federation, significantly increasing the school's capacity to drive forward developments. Regrettably, the pandemic slowed our progress, but this work continues in 2021/22.

In the Autumn term 2020 we consulted on a new RSE curriculum for Morville. We adopted the Shropshire Respect Yourself Programme which ensured that, not only was the school now able to meet its statutory requirements, there was consistency with Morville school's ethos and related policies, such as safeguarding, equalities and anti-bullying.

Covid-19, despite its overwhelmingly negative impact on our daily lives, was a driver for positive change in the school's use of digital communication and online learning platforms. We strengthened our systems of communication so that all parents had access to timely, useful information and specifically their child's learning regardless of whether the parent could physically attend school or not. We developed remote education across our schools so that it was integrated into school curriculum planning.

**TRUSTEES' REPORT (CONTINUED)  
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Building projects: During lockdown, the children's toilets at Morville School were refurbished. According to our children, Morville now has 'the poshest toilets in any school!' The sinks have wall-mounted soap dispensers which is essential to our COVID-19 preventative measures. The contractors also managed to include partial redecoration of the cloaks area in the work too.

**St Edwards CE Primary School, Dorrington**

St Edwards became a sponsored academy in December 2017. It has not yet received an OfSTED inspection since then. Its predecessor school's most recent OfSTED inspection had placed it in 'special measures' in March 2017. Following the inspection an executive headteacher was appointed from Conover CE Primary. St Edwards is a very small school with less than 40 children on roll.

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

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

The school's vision and values were refocussed and deepened in 2020.

The school's leadership team responded positively to the support needs of another school within the trust when their headteacher resigned. There is now an executive headteacher for Conover CE Primary, St Edward's CE Primary (Dorrington) and Bitterley CE Primary.

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

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

Following a brief period of executive headship, a new headteacher took over in September 2019. The strong leadership of the new headteacher has been extremely positive for the school during the last academic year.

A newly imagined vision for the school, based on the river that flows through the village, is now taking shape.

Key developments last year, include:

- Development of and refinement of the school vision;
- Development of our curriculum Intent, implementational and Impact with a long term 2 year cycle curriculum based on the needs of our children;
- Consolidation and further development of whole school approaches to reading, writing and maths;
- Development of the recreational grounds for the children; and
- A strong focus on whole school reading and the development of a new library.

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

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

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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Last year, St Michael's C E Primary School saw improvements to the playground with the addition of a balance trail and improved playground markings which together have resulted in more active playtimes. The delivery of the PE curriculum has been enhanced with the installation of colourful wall bars and new gymnastics equipment. Provision for EYFS has been further developed with the addition of balance and building equipment. The front of the school has been greatly improved with the renewal of all the facias.

A new staffing structure was put in place with the appointment of a Head of School and new teaching appointments were made in KS1 and 2.

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

**St Thomas Cantilupe CE Primary**

2021-22 has been a year of perseverance and unity for STC. As with all schools we have worked collaboratively to navigate the pandemic, its impact on staff, children, families and our organisation.

Time, resources and community support were used well during this time and we were able to move forwards. Our curriculum was re-written, in its entirety, our school was redecorated by staff (no mean feat given its size) we procured devices for every child and welcomed over 20 new children to the school. We welcomed two new members of staff, created an outdoor classroom, worked with the hospital to support new families joining us and renewed our links with All Saints church. In addition, the midst of this year, we had three OfSTED inspections; one about remote learning, one about COVID and a full inspection in May 2021. The full inspection resulted in a change of OfSTED grading for us and we were rated as 'good' in all areas and for overall effectiveness. This external validation coupled with our absolute commitment to the children and families of our community will enable us to ensure that our firm foundations are built upon as we move into 2021-22.

"Over the past two years the school has improved significantly. All staff have high expectations of pupils and expect them to work hard. Pupils respond well to the challenge. Pupils are keen to learn. Subjects are planned and taught well.

Pupils speak positively about the wide-ranging enrichment opportunities they had before COVID-19 (coronavirus). Parents and carers are overwhelmingly positive about the changes that have taken place. A typical comment sums up the views of many: 'The school has changed dramatically for the better under the new leadership. The expectations are so much higher now.' - **OfSTED May 2021**

**Tenbury CE Primary School**

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

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

"Tenbury Church of England Primary Academy is a positive and inclusive school community. Leaders and staff provide a curriculum and enrichment activities that make a strong contribution to pupils' spiritual, moral, social and cultural development. In addition to providing a varied and stimulating curriculum, particularly in the creative and fine arts, leaders and staff have improved pupils' use of information and communication technology." - **OfSTED inspection report – December 2018**

During the last academic year, we have been fortunate to have a number of improvements to our buildings:

- Much of the roof of the KS1 school building has been repaired
- A new fire alarm system, including new fire doors throughout, has been fitted in the KS2 building
- New LED lighting has replaced the old fluorescent lights throughout the school, through the SALIX project
- Plans have been consulted upon and submitted for planning permission for a new Early Years extension, to replace two wooden mobile classrooms for our Nursery and Reception Class



**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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In curriculum development, we have worked hard to ensure our creative curriculum meets the needs of all learners, with clear skills progression in all subjects and many opportunities for cultural capital to broaden and enrich learning opportunities for our children. We have embedded global learning links into all subjects and, in the Summer Term, completed a bid to secure funding from the British Council to set up a virtual partnership with schools in Tanzania. Tenbury is now the cluster lead school for 6 schools in the UK and 6 partner schools in Tanzania. Through the virtual partnership, we will be working on climate change Sustainable Development Goals through the Connecting Classrooms initiative.

**Secondary Academies**

**Ludlow Church of England School**

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

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

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

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

Ludlow CE School has successfully navigated the last academic year, during the pandemic, seeing continued improvement in GCSE outcomes (an increase in Grade 5+ in English and Maths from 35.2% in 2019 to 48.7% in 2021), attendance above the national figures (+17.4%) and post-16 destinations secured for 99.1% the Year 11 cohort in 2020.

Teaching staffing has remained stable, overall, with a departure in the English department, having been replaced with an Early Careers Teacher. The Science department is understaffed by 0.4FTE, having not been able to reappoint from the summer.

Year 7 intake remains stable at around 80% transfer rate, with a cohort of 115 in 2021. Although the school has a PAN of 140, the staffing and curriculum model is designed for a four-form entry. The curriculum model at Key Stage 4 has moved from 6 and 5 group models over the last 12 months, enabling us to significantly reduce costs. Following a deficit budget in 2020-21, we currently have a projected surplus of £4000 for 2021-22.

**The Hereford Church of England Academy**

The Hereford Academy received a section 8 OfSTED on 30th June & 1st July 2021. The inspection converted to a section 5 inspection at the end of day 1 and the school was removed from special measures at the end of day 2.

The judgments placed the school as 'requires improvement' for quality of education and overall effectiveness. It also received a judgment of 'good' for behaviour & attitude and leadership and management. Personal development and wellbeing were judged to be 'outstanding'.

The Hereford Academy was placed in special measures on 20th November 2018. The removal of special measures in July 2021, is a hugely significant improvement both for the school and for the trust.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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The exceptional school leadership of the headteacher has been instrumental in securing the transformation of this important school. We have also built a strong leadership team to support the head, who have delivered this achievement in spite of the considerable challenges of the pandemic.

The Hereford Church of England Academy is now an established Teach First Hub for the area and was able to host 4 trainees for 2020/21, all of whom provided additional teaching support, rather than as part of the basic staff capacity. Our Headteacher continues to sit as the secondary school representative on the Haybridge Teaching SCITT/ PGCE programme.

Applications for places significantly increased in 2020 and the expected intake for September 2021 was 140 students, an increase of 50 students from 2020.

We are currently having new lighting installed and are in the process of upgrading our CCTV network. Overall, despite the impact of the pandemic 2020-21 was a good year for the Academy highlighted by the fact that staff voluntarily asked for an extension of the school day for yr 11 to aid them in their examination preparation - this has continued at middle leadership team's request, for 2021-22.

**Key DHMAT Progress Headlines**

In spite of all the difficulties with Covid-19 during the last year, we have still managed to make some significant development progress within the DHMAT family of schools:

**Strategic Governance:**

1. We strengthened our governance structures by establishing effective Strategic Task Group (STGs) at four more primary schools as well as continuing to develop the well-established ones at THA and STC.

**School Improvement - Teaching and Learning:**

1. We have significantly strengthened the leadership structure at The Hereford Academy
2. We have continued to work with and develop the Headteacher Board, through Zoom meetings.
3. Strengthened the identity of the new Ludlow Primary School which now successfully operates as one school on two sites. Strong leadership team in place. Huge progress in lifting standards in KS1 / infants and nursery.
4. Very positive OfSTED inspection results (See inspection section).

**Covid Response and Recovery:**

1. Guided and supported schools through the twist and turns of the pandemic with regular communication and guidance wherever it has been helpful. This has included closer working partnerships with our 3 Local Authorities (Herefordshire, Shropshire & Worcestershire) who have also worked extremely hard to provide the best possible support for schools.
2. Very positive Covid Survey OfSTED inspection results (See inspection section).

**Continued Professional Development:**

1. We have ensured that all schools in the trust can fully access the diocesan partnership agreement, including all DBE officer training.
2. Launched leadership development programme for headteachers with support from Resilient Leaders Elements.
3. DHMAT began an approved delivery partner for National Professional Qualifications, working with the Church of England Foundation for Educational Leadership.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Quality Assurance:**

1. Established new Executive Leadership Team. The focus of this group is to execute accelerated trust-wide development, which draws closer connections, tighter quality assurance and great consistency between all our schools.
2. Engaged trust-side consultant support to lead on our school improvement strategy and safeguarding.
3. Approved and began the introduction of MAT software call VisionX which will connect the information management systems of all 15 DHMAT academies and allow us to collate headline information much more easily for example pupil attendance and staff absence figures as well as assessment headlines.
4. Strengthened improvement partner support for five of the primary schools.

**Financial Strength:**

1. We have continued to develop the central DHMAT team with our consultant Chief Finance Officer who has significantly strengthened our systems and processes.
2. We carried out a successful appointment of a permanent Chief Finance Officer with responsibility for estates management who took up post in September 2021.
3. Developed new Resource Management Steering Group which involves LAB members, business managers, headteachers and directors to steer and guide trust decision making on budget benchmarking, use of reserves and capital priorities.

**Integrated Support and Shared Services:**

1. We have carried out significant HR staff absence / capability management work at The Hereford Academy, St Thomas Cantilupe and Ludlow Primary. We have also provided HR support at a number of schools. This has led to much stronger staffing structures within our schools. The work at THA included a support staff restructure, which was a successful process, with no appeals.
2. We completed very significant building project at Ludlow CE School, which has significantly enhanced the environment for a significant part of the school.
3. Strengthened our new identity as the Diocese of Hereford Multi-Academy Trust (DHMAT).
4. Added capacity through engagement with consultant School Improvement Policy Lead and Safeguarding Lead practitioners who hold trust-wide remits.
5. Build new partnership with Shropshire ICT. This began with central support officers but we are adding a growing number of DHMAT schools.
6. New DHMAT website launched.

**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, £387,999 was carried forward representing 2.8% of GAG

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2021 this was 103.3% compared to 104.0% in 2020.

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

	Target at 1/9/20	Actual at 31/8/21
GAG carry forward	>1.5%	2.8%
Student attendance	>95.0%	95.6%
Staff costs to GAG	<90.0%	103.3%

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 2021 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 2021, DHMAT received total income of £19,036k and incurred total expenditure of £20,606k. The excess of expenditure over income for the year was £1,570k.

COVID has had an impact on the finances of DHMAT from the loss of letting income at The Hereford Academy to the additional cleaning costs and the purchase of PPE equipment. Throughout the lockdown period the majority of schools were open for key workers' children. The Trust has claimed back £29,665 from DfE to cover free school meals and additional costs associated with COVID 19.

At 31 August 2021 the net book value of fixed assets was £24,854k 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 22 to the financial statements.

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

**Reserves Policy**

DHMAT policy is that cash flow levels should be built up over subsequent years to cover one month's average payroll costs which is equivalent to £1,100k. This total has not yet been built up at the present time, but the intention remains to achieve this over the coming years.

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

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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:

- Covid-19 – The pandemic present risks to all educational establishments which are difficult to predict or quantify and which therefore present significant mitigation challenges. For example, from the risk of falling academic standards to the risks to projected lettings income. Our best mitigation has been to be sharply focussed when responding to each new development within this national and international crisis and to provide as much support to school decision makers as we can.
- Financial – DHMAT has considerable reliance on continued Government funding through the ESFA. In the last year 99.3% 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 managing DHMAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of DHMAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors, ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection – the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.
- Staff – the success of DHMAT is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – DHMAT has appointed Internal Auditors to carry out checks on financial systems and records as required by DHMAT Financial Handbook. All finance staff received training to keep them up to date with financial practice requirements and develop their skills in this area.

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 22 to the financial statements, represents a significant potential

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liability. However, as the Directors consider that DHMAT is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability minimised.

**STREAMLINED ENERGY AND CARBON REPORTING**

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021</b>	<b>Current reporting year 2020/21</b>	<b>Comparison reporting year 2019/20 (figures are for illustrative purposes)</b>
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Energy consumption used to calculate emissions (kWh)	4,468,095	4,115,189
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**Scope 1** emissions in metric tonnes CO<sub>2</sub>e

	476.326	403.044
Gas consumption	89.484	84.970
Kerosene consumption	1.76	2.78
Owned transport	567.57	490.80
<b>Total Scope 1</b>		

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

Purchased electricity	317.517	360.497
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**Scope 3** emissions in metric tonnes CO<sub>2</sub>e

Business travel in employee-owned vehicles	0.59	5.19
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<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>885.68</b>	<b>856.48</b>
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<b>Intensity ratio Tonnes CO<sub>2</sub>e per pupil</b>	<b>0.303</b>	<b>0.284</b>
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**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 CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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Measures taken to improve energy efficiency include:

- 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;
- Ongoing replacement of lighting with new LEDs;
- Light sensors in new toilets and flow water saving in boys toilets at Bitterley Primary School;
- New roof & insulation at Condover Primary School, Morville Primary School and Tenbury Primary School;
- Replaced kitchen appliances with A+ Fridge & Fridge/Freezer at Eastnor CofE Primary School; and
- Ludlow School had a new block in 2019/20 with LED & heating, improved ventilation and insulations

**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.

In response to the continuing Covid-19 pandemic, DHMAT will continue to work with local authorities and public health services, in delivering support and guidance for our academies. Our continuing aim is to minimise the disruption caused to the education of our children and young people

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 become more financially efficient, through closer alignment on contracts and services, wherever possible. As a result, we will continue to grow our financial strength and resilience. Our aim is to achieve the best value we from every pound of public money we receive, in order to use it most effectively to deliver the highest quality of education possible.

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

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

**Next Steps**

We are forming a new Executive Leadership Team, which involves a smaller group of headteachers and senior support officers. We want to see a broadening of focus as the recovery in our most challenging settings is closer to completion. We want to see increased alignment with more networks across schools such as with subject leaders and other shared roles and responsibilities.

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**

Although Covid-19 has perhaps slowed the eventual expansion of DHMAT, the most important factor has been the removal of special measures from all schools.

On Monday 1st March 2021, then Secretary of State for Education, Gavin Williamson told the Foundation for Education Development summit, that schools “benefit from being in a strong family. In other words, a multi-academy trust”. He went on to say:

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“Multi-academy trusts are powerful vehicles for improving schools by sharing expertise, working collaboratively and driving improvements. It is living proof of the old adage, a problem shared is a problem halved.

This is something we want to see more of, because it shows time and again how the multi-academy trust model consistently improves outcomes for pupils.

By 2025, we want to see far more schools residing in strong families than we do today, and we're actively looking at how we can make that happen.”

The Hereford Diocese has developed new guidance on academisation. In the Hereford Diocese, DHMAT will become a central part of the education strategy to realise the Church of England's vision for education.

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

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

**ADDITIONAL COMPANIES ACT REQUIREMENTS**

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

- Demonstrates an open and transparent approach to recruitment
- Ensure that recruitment decisions are made using pre-agreed objective criteria
- Seeks to appoint the most suitable applicant for the job based on merit
- Ensures the recruitment and selection process conveys a positive image of DHMAT and academy and portrays DHMAT and academy as an employer of choice
- Demonstrates its commitment to employ, retain and develop the abilities of disabled people, for example, through achievement of the 'two ticks' award by Job Centre Plus.
- Ensures that the recruitment and selection of staff is conducted in a professional, timely and responsive manner and in compliance with current employment legislation
- 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 ensure that the applicant experience is positive, irrespective of the outcome
- Ensure that if any member of staff involved in the recruitment process is related to or has a close personal relationship with an applicant then they are not involved in the recruitment process at any point. This includes, but is not restricted to, decisions on restructures, ring-fencing and decisions about post-creation and job description content.
- Ensures that all documentation relating to applicants will be treated confidentially and kept securely in accordance with DHMAT and (if relevant) the academy's Data Protection Policy.
- DHMAT does not as a matter of course require job applicants to complete a medical questionnaire as part of the application procedure. Health related questions are only asked if they are intrinsic to a function of their work, for example, ensuring applicants for PE teaching post have the physical capability to carry out the duties. Additionally, candidates are not being asked about their sickness record until they have been made a conditional offer. Additional advice can be sought from DHMAT.

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



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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**AUDITORS**

In so far as the Directors are aware:

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

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

Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as company directors on 01 December 2021 and signed on the board's behalf by:



22 December 2021

**W Finn**  
Chair of Directors



22 December 2021

**A Teale**  
Accounting Officer

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**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**SCOPE OF RESPONSIBILITY**

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

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	4	4
W Finn, Chair	4	4
A Teale	4	4
M Simmons	4	4
C Watson	4	4
L Stevenson	4	4
R Pizii	4	4
K Skerrett	3	4

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

The Board complied with the requirement to meet a minimum of four times during the year. Additional governance was provided as the CEO and Chair of the Board had meetings on a weekly basis, and financial oversight was provided due to the regular meetings of the Finance and Resources committee during the year. Furthermore, the CFO sent monthly management reports to all directors which aids oversight and governance.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
C Watson	3	3
A Teale	2	3
L Stevenson	1	3
R Pizii	3	3
M Simmons	3	3
Will Finn	1	3

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress;
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote; and
- 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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**THE RISK AND CONTROL FRAMEWORK**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;

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

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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- 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 Kreston Reeves 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.

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

**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the Board of Directors on 01 December 2021 and signed on its behalf by:



22 December 2021

**W Finn**  
Chair of Directors



22 December 2021

**A Teale**  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Diocese of Hereford Multi Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

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: 1 December 2021

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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

Date: 1 December 2021

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

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

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**OPINION**

We have audited the financial statements of Diocese of Hereford Multi Academy Trust (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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)**

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**OTHER INFORMATION**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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



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

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

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 non-compliance 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
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and 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, Academies Financial 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)**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**USE OF OUR REPORT**

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



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

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

21 December 2021

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

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

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In accordance with the terms of our engagement letter dated 23 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Diocese of Hereford Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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.

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

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date 21 December 2021

**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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME FROM:</b>						
Donations and capital grants:	3					
Other donations and capital grants		72,108	380,963	759,250	1,212,321	753,799
Other trading activities	5	(23,448)	-	-	(23,448)	318,370
Investments	6	16	-	-	16	1,086
Charitable activities	4	75,245	17,771,537	-	17,846,782	17,135,314
<b>TOTAL INCOME</b>		<b>123,921</b>	<b>18,152,500</b>	<b>759,250</b>	<b>19,035,671</b>	<b>18,208,569</b>
<b>EXPENDITURE ON:</b>						
Raising funds		9,806	-	-	9,806	91,968
Charitable activities		501,290	18,238,367	1,856,714	20,596,371	20,081,232
<b>TOTAL EXPENDITURE</b>		<b>511,096</b>	<b>18,238,367</b>	<b>1,856,714</b>	<b>20,606,177</b>	<b>20,173,200</b>
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>(387,175)</b>	<b>(85,867)</b>	<b>(1,097,464)</b>	<b>(1,570,506)</b>	<b>(1,964,631)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(849,000)	-	(849,000)	(2,112,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(387,175)</b>	<b>(934,867)</b>	<b>(1,097,464)</b>	<b>(2,419,506)</b>	<b>(4,076,631)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		658,108	(14,135,000)	26,515,487	13,038,595	17,115,226
Net movement in funds		(387,175)	(934,867)	(1,097,464)	(2,419,506)	(4,076,631)
<b>TOTAL FUNDS CARRIED FORWARD</b>	20	<b>270,933</b>	<b>(15,069,867)</b>	<b>25,418,023</b>	<b>10,619,089</b>	<b>13,038,595</b>

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

The notes on pages 47 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 2021**

	Note	2021 £	2021 £	2020 £	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>24,853,687</b>		26,251,497
<b>CURRENT ASSETS</b>					
Stocks	16	-		7,256	
Debtors	17	<b>581,301</b>		702,589	
Cash at bank and in hand		<b>2,263,977</b>		1,697,025	
			<b>2,845,278</b>	2,406,870	
Creditors: amounts falling due within one year	18	<b>(1,008,861)</b>		(984,004)	
<b>NET CURRENT ASSETS</b>			<b>1,836,417</b>		1,422,866
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>26,690,104</b>		27,674,363
Creditors: amounts falling due after more than one year	19		<b>(466,015)</b>		(500,768)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<b>26,224,089</b>		27,173,595
Defined benefit pension scheme liability	27		<b>(15,605,000)</b>		(14,135,000)
<b>TOTAL NET ASSETS</b>			<b>10,619,089</b>		13,038,595
<b>FUNDS OF THE ACADEMY TRUST</b>					
<b>RESTRICTED FUNDS:</b>					
Fixed asset funds		<b>25,418,023</b>		26,515,487	
Restricted income funds		<b>535,133</b>		-	
Restricted funds excluding pension asset		<b>25,953,156</b>		26,515,487	
Pension reserve		<b>(15,605,000)</b>		(14,135,000)	
<b>TOTAL RESTRICTED FUNDS</b>	20		<b>10,348,156</b>		12,380,487
<b>UNRESTRICTED INCOME FUNDS</b>	20		<b>270,933</b>		658,108
<b>TOTAL FUNDS</b>			<b>10,619,089</b>		13,038,595

The financial statements on pages 43 to 78 were approved by the Directors, and authorised for issue on 01 December 2021 and are signed on their behalf, by:

**W Finn**  22 December 2021  
Chair

The notes on pages 47 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 2021**

	Note	2021 £	2021 £	2020 £	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>24,853,687</b>		26,251,497
Investments	15		<b>1</b>		1
			<b>24,853,688</b>		<b>26,251,498</b>
<b>CURRENT ASSETS</b>					
Debtors	17	<b>582,277</b>		702,917	
Cash at bank and in hand		<b>2,263,977</b>		1,666,313	
		<b>2,846,254</b>		<b>2,369,230</b>	
Creditors: amounts falling due within one year	18	<b>(1,024,227)</b>		(971,056)	
<b>NET CURRENT ASSETS</b>			<b>1,822,027</b>		1,398,174
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>26,675,715</b>		<b>27,649,672</b>
Creditors: amounts falling due after more than one year	19		<b>(466,015)</b>		(500,768)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<b>26,209,700</b>		<b>27,148,904</b>
Defined benefit pension scheme liability	27		<b>(15,605,000)</b>		(14,135,000)
<b>TOTAL NET ASSETS</b>			<b>10,604,700</b>		<b>13,013,904</b>
<b>FUNDS OF THE ACADEMY TRUST</b>					
<b>RESTRICTED FUNDS:</b>					
Fixed asset funds		<b>25,418,023</b>		26,515,487	
Restricted income funds		<b>535,133</b>		-	
Restricted funds excluding pension liability		<b>25,953,156</b>		26,515,487	
Pension reserve		<b>(15,628,000)</b>		(14,135,000)	
<b>TOTAL RESTRICTED FUNDS</b>	20		<b>10,325,156</b>		12,380,487
General funds	20		<b>279,544</b>		633,417
<b>TOTAL FUNDS</b>			<b>10,604,700</b>		<b>13,013,904</b>

The financial statements on pages 43 to 78 were approved by the Directors, and authorised for issue on 01 December 2021 and are signed on their behalf, by:

**W Finn**  
Chair



22 December 2021

The notes on pages 47 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 2021**

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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	22	<b>299,800</b>	1,180,267
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	24	<b>300,362</b>	(2,078,712)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	23	<b>(33,210)</b>	407,768
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>566,952</b>	(490,677)
Cash and cash equivalents at the beginning of the year		<b>1,697,025</b>	2,187,702
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	25, 26	<b>2,263,977</b>	1,697,025

The notes on pages 47 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 2021**

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**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 2020 to 2021 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 2021**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

**1.4 EXPENDITURE**

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

• **Expenditure on raising funds**

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

• **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 2021**

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**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 STOCKS**

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

**1.9 DEBTORS**

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

**1.10 CASH AT BANK AND IN HAND**

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

**1. ACCOUNTING POLICIES (continued)**

**1.11 LIABILITIES**

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

**1.12 FINANCIAL INSTRUMENTS**

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

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

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

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

**1.13 OPERATING LEASES**

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

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

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

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

**1.15 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  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**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 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	72,108	380,963	-	<b>453,071</b>	416,220
Capital Grants	-	-	759,250	<b>759,250</b>	337,579
	<u>72,108</u>	<u>380,963</u>	<u>759,250</u>	<b><u>1,212,321</u></b>	<u>753,799</u>
	<u>-</u>	<u>416,220</u>	<u>337,579</u>	<u>753,799</u>	
TOTAL 2020	<u>-</u>	<u>416,220</u>	<u>337,579</u>	<u>753,799</u>	

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	13,852,742	<b>13,852,742</b>	13,553,719
<b>OTHER DFE/ESFA GRANTS</b>				
Pupil Premium	-	812,933	<b>812,933</b>	824,803
Universal Infant Free School Meals	-	307,024	<b>307,024</b>	274,778
Teachers Pension grant	-	487,408	<b>487,408</b>	485,191
Teachers Pay grant	-	172,491	<b>172,491</b>	171,704
PE and Sports grant	-	223,030	<b>223,030</b>	212,160
Other DfE/ESFA grants	-	268,139	<b>268,139</b>	287,434
	-	16,123,767	<b>16,123,767</b>	15,809,789
<b>OTHER GOVERNMENT GRANTS</b>				
High Needs funding	-	436,291	<b>436,291</b>	384,742
Other government grants	-	942,020	<b>942,020</b>	839,402
	-	1,378,311	<b>1,378,311</b>	1,224,144
<b>COVID-19 ADDITIONAL FUNDING (DFE/ESFA)</b>				
Catch-up Premium	-	222,160	<b>222,160</b>	-
Other DfE/ESFA COVID-19 funding	-	15,860	<b>15,860</b>	-
	-	238,020	<b>238,020</b>	-
<b>OTHER FUNDING</b>				
Internal catering income	69,581	-	<b>69,581</b>	47,339
Sales to students	5,664	-	<b>5,664</b>	23,994
Other income	-	31,439	<b>31,439</b>	30,048
	75,245	31,439	<b>106,684</b>	101,381
	75,245	17,771,537	<b>17,846,782</b>	17,135,314
<b>TOTAL 2020</b>	<b>71,333</b>	<b>17,063,981</b>	<b>17,135,314</b>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the DfE and ESFA, the Group's funding for Pupil Premium, Universal Infant Free School Meals, Teachers Pay Grants, Teachers Pension Grants and PE & Sports Grants are no longer reported under the DfE/ESFA grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.



**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Lettings	81,306	<b>81,306</b>	46,058
External catering	62,410	<b>62,410</b>	61,202
School fund income	(166,668)	<b>(166,668)</b>	94,451
Income from charity trading activities	(496)	<b>(496)</b>	116,659
	<u>(23,448)</u>	<u><b>(23,448)</b></u>	<u>318,370</u>

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Bank interest	16	<b>16</b>	1,086

**7. EXPENDITURE**

	<b>Staff Costs 2021 £</b>	<b>Premises 2021 £</b>	<b>Other 2021 £</b>	<b>Total 2021 £</b>	Total 2020 £
Expenditure on fundraising activities:					
Direct costs	-	-	9,806	<b>9,806</b>	91,968
Educational activities:					
Direct costs	11,647,736	1,485,371	681,236	<b>13,814,343</b>	13,543,264
Support costs	2,718,861	1,838,200	2,224,967	<b>6,782,028</b>	6,537,968
	<u>14,366,597</u>	<u>3,323,571</u>	<u>2,916,009</u>	<u><b>20,606,177</b></u>	<u>20,173,200</u>
TOTAL 2020	<u>14,446,848</u>	<u>1,825,704</u>	<u>3,900,648</u>	<u>20,173,200</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Direct costs 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Education	13,814,343	6,782,028	<b>20,596,371</b>	20,081,232
	<u>13,814,343</u>	<u>6,782,028</u>	<u>20,596,371</u>	
TOTAL 2020	13,543,264	6,537,968	20,081,232	
	<u>13,543,264</u>	<u>6,537,968</u>	<u>20,081,232</u>	

**ANALYSIS OF DIRECT COSTS**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Pension finance costs	<b>88,300</b>	145,000
Staff costs	<b>11,592,321</b>	11,578,719
Depreciation	<b>1,485,371</b>	1,170,106
Educational supplies	<b>279,707</b>	268,894
Examination fees	<b>74,328</b>	65,862
Staff development	<b>120,196</b>	49,486
Other costs	<b>49,781</b>	92,186
Supply teachers	<b>55,415</b>	121,907
Technology costs	<b>68,924</b>	51,104
	<u>13,814,343</u>	<u>13,543,264</u>

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Pension finance cost	<b>173,700</b>	65,000
Staff costs	<b>2,718,861</b>	2,711,408
Depreciation	<b>371,343</b>	147,043
School fund expenditure	<b>29,375</b>	14,684
Recruitment and support	<b>24,637</b>	40,060
Maintenance of premises and equipment	<b>286,979</b>	309,680
Cleaning	<b>337,823</b>	300,444
Rent and rates	<b>497,890</b>	491,897
Energy costs	<b>298,334</b>	300,569
Insurance	<b>178,030</b>	243,747
Security and transport	<b>30,608</b>	60,310
Catering	<b>458,691</b>	352,807
Technology costs	<b>323,837</b>	336,556
Office overheads	<b>208,536</b>	169,217
Professional services	<b>839,130</b>	983,841
Bank interest and charges	<b>4,254</b>	10,705
	<b>6,782,028</b>	6,537,968

**9. NET EXPENDITURE**

Net expenditure for the year includes:

	<b>2021 £</b>	<b>2020 £</b>
Operating lease rentals	<b>21,368</b>	38,835
Depreciation of tangible fixed assets	<b>1,856,714</b>	1,317,149
Fees paid to auditors for:		
- audit	<b>28,300</b>	26,700
- other services	<b>7,000</b>	9,000

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	<b>Group 2021 £</b>	Group 2020 £	<b>Trust 2021 £</b>	Trust 2020 £
Wages and salaries	<b>10,460,150</b>	10,376,004	<b>10,460,150</b>	10,376,004
Social security costs	<b>958,929</b>	927,021	<b>958,929</b>	927,021
Pension costs	<b>2,892,103</b>	2,987,102	<b>2,892,103</b>	2,987,102
	<b>14,311,182</b>	14,290,127	<b>14,311,182</b>	14,290,127
Agency staff costs	<b>55,415</b>	121,907	-	121,907
Herecad salaries	-	34,814	-	-
	<b>14,366,597</b>	14,446,848	<b>14,311,182</b>	14,412,034

**b. STAFF NUMBERS**

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

	<b>Group 2021 No.</b>	Group 2020 No.
Teachers	<b>185</b>	155
Support staff	<b>363</b>	394
Management	<b>28</b>	31
	<b>576</b>	580

**c. HIGHER PAID STAFF**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. STAFF (CONTINUED)**

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

	<b>Group 2021 No.</b>	Group 2020 No.
In the band £60,001 - £70,000	<b>5</b>	4
In the band £70,001 - £80,000	<b>4</b>	1
In the band £80,001 - £90,000	-	3
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	<b>2</b>	-
In the band £110,001 - £120,000	-	1
	<u><u>          </u></u>	<u><u>          </u></u>

**d. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £254,646 (2020 £259,279).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**11. CENTRAL SERVICES**

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

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

The Group charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	<b>2021</b>	2020
	£	£
St Thomas Cantilupe Church of England Academy	<b>37,930</b>	38,843
Morville Church of England Primary School	<b>15,700</b>	11,877
The Hereford Academy	<b>166,188</b>	170,041
Bitterley Church of England Primary School	<b>22,167</b>	21,341
Tenbury Church of England Primary School	<b>39,756</b>	36,831
St Michael's Church of England Primary School	<b>17,816</b>	16,766
Burford Church of England Primary School	<b>30,533</b>	28,233
Burley Gate Church of England Primary School	<b>19,952</b>	18,279
Ludlow Primary School	<b>82,466</b>	84,244
Ludlow Church of England School	<b>150,337</b>	149,193
Bishop's Castle Primary School	<b>30,810</b>	29,274
Conover Church of England Primary School	<b>26,418</b>	26,795
St Edward's Church of England Primary School	<b>13,826</b>	12,673
St George's Church of England Academy Clun	<b>18,126</b>	15,601
Eastnor Church of England Primary School	<b>20,573</b>	20,903
<b>TOTAL</b>	<b>692,598</b>	680,894

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**12. DIRECTORS' REMUNERATION AND EXPENSES**

The Headteacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses Academy Trust in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows: A Teale: Remuneration: £100,000-£105,000 (2020: £100,000-£105,000), Employers pension contributions: £20,000-£25,000 (2020: £15,000-£20,000).

Other related party transactions involving the Directors are set out in note 30.

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

**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 2021 was £1,153 (2020 - £1,153). The cost of this insurance is included in the total insurance cost.

**14. TANGIBLE FIXED ASSETS**

**GROUP AND TRUST**

	Long-term leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2020	31,354,657	373,247	1,804,165	49,088	33,581,157
Additions	241,526	133,174	84,204	-	458,904
At 31 August 2021	<u>31,596,183</u>	<u>506,421</u>	<u>1,888,369</u>	<u>49,088</u>	<u>34,040,061</u>
<b>DEPRECIATION</b>					
At 1 September 2020	5,367,517	258,892	1,660,663	42,588	7,329,660
Charge for the year	1,726,157	40,414	90,143	-	1,856,714
At 31 August 2021	<u>7,093,674</u>	<u>299,306</u>	<u>1,750,806</u>	<u>42,588</u>	<u>9,186,374</u>
<b>NET BOOK VALUE</b>					
At 31 August 2021	<u><u>24,502,509</u></u>	<u><u>207,115</u></u>	<u><u>137,563</u></u>	<u><u>6,500</u></u>	<u><u>24,853,687</u></u>
At 31 August 2020	<u>25,987,140</u>	<u>114,355</u>	<u>143,502</u>	<u>6,500</u>	<u>26,251,497</u>

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

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

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

**15. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>ACADEMY TRUST</b>	
<b>COST OR VALUATION</b>	
At 1 September 2020	1
AT 31 AUGUST 2021	<u>1</u>
<b>NET BOOK VALUE</b>	
AT 31 AUGUST 2021	<u>1</u>
AT 31 AUGUST 2020	<u>1</u>

**PRINCIPAL SUBSIDIARIES**

The following was a subsidiary undertaking of the Academy Trust:

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

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Surplus for the year £</b>	<b>Net assets £</b>
Herecad Enterprises Limited	<b>(10,302)</b>	<b>(10,302)</b>



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**16. STOCKS**

	<b>Group 2021 £</b>	Group 2020 £
Uniform and catering stock	-	7,256

**17. DEBTORS**

	<b>Group 2021 £</b>	Group 2020 £	<b>Trust 2021 £</b>	Trust 2020 £
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	<b>92,049</b>	18,398	<b>93,043</b>	30,337
Amounts owed by group undertakings	-	-	-	39,184
Other debtors	<b>79,414</b>	115,444	<b>79,396</b>	85,946
Prepayments and accrued income	<b>375,640</b>	425,027	<b>375,640</b>	425,027
Tax recoverable	<b>34,198</b>	143,720	<b>34,198</b>	122,423
	<b>581,301</b>	702,589	<b>582,277</b>	702,917

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

	<b>Group 2021 £</b>	Group 2020 £	<b>Trust 2021 £</b>	Trust 2020 £
ESFA loans	<b>58,543</b>	57,000	<b>58,543</b>	57,000
Trade creditors	<b>195,243</b>	140,832	<b>195,484</b>	169,577
Amounts owed to group undertakings	-	-	<b>15,125</b>	-
Other taxation and social security	<b>221,770</b>	227,478	<b>221,770</b>	214,473
Other creditors	<b>210,140</b>	236,207	<b>210,140</b>	207,519
Accruals and deferred income	<b>323,165</b>	322,487	<b>323,165</b>	322,487
	<b>1,008,861</b>	984,004	<b>1,024,227</b>	971,056

Included within creditors due within one year is an ESFA loan balance of £58,543. The full value of the loan outstanding is £524,558, £466,015 of which is shown as due over one year (note 19). The loan is repayable in six-monthly instalments over the remaining 8 year of the loan with an applicable annual interest rate of 2.29%.

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	<b>Group 2021 £</b>	Group 2020 £	<b>Trust 2021 £</b>	Trust 2020 £
<b>DEFERRED INCOME</b>				
Deferred income at 1 September 2020	<b>197,695</b>	144,543	<b>197,695</b>	144,543
Resources deferred during the year	<b>(197,695)</b>	197,695	<b>(197,695)</b>	197,695
Amounts released from previous periods	<b>193,711</b>	(144,543)	<b>193,711</b>	(144,543)
	<b>193,711</b>	197,695	<b>193,711</b>	197,695

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

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

	<b>Group 2021 £</b>	Group 2020 £	<b>Trust 2021 £</b>	Trust 2020 £
ESFA loans	<b>466,015</b>	500,768	<b>466,015</b>	500,768

Included within creditors due after more than one year is an ESFA loan balance of £466,015. The full value of the loan outstanding is £524,558, £58,543 of which is shown as due within one year (note 18). The loan is repayable in six-monthly instalments over the remaining 8 year of the loan with an applicable annual interest rate of 2.29%.

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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>UNRESTRICTED FUNDS</b>					
General Funds - all funds	<b>658,108</b>	<b>123,921</b>	<b>(511,096)</b>	-	<b>270,933</b>
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	-	<b>13,852,742</b>	<b>(13,464,743)</b>	-	<b>387,999</b>
Other DfE/ESFA Grants	-	<b>2,509,045</b>	<b>(2,361,911)</b>	-	<b>147,134</b>
Other Government Grants	-	<b>1,378,311</b>	<b>(1,378,311)</b>	-	-
Other Restricted	-	<b>412,402</b>	<b>(412,402)</b>	-	-
Pension reserve	<b>(14,135,000)</b>	-	<b>(621,000)</b>	<b>(849,000)</b>	<b>(15,605,000)</b>
	<b>(14,135,000)</b>	<b>18,152,500</b>	<b>(18,238,367)</b>	<b>(849,000)</b>	<b>(15,069,867)</b>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Fixed assets transferred on conversion	<b>23,116,860</b>	-	<b>(1,619,023)</b>	-	<b>21,497,837</b>
DfE/ESFA Capital grants	<b>3,206,253</b>	<b>653,763</b>	<b>(224,555)</b>	-	<b>3,635,461</b>
Donations	<b>4,820</b>	-	-	-	<b>4,820</b>
Fixed assets purchased from GAG	<b>187,554</b>	-	<b>(13,136)</b>	-	<b>174,418</b>
Location Authority capital grants	-	<b>105,487</b>	-	-	<b>105,487</b>
	<b>26,515,487</b>	<b>759,250</b>	<b>(1,856,714)</b>	-	<b>25,418,023</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>12,380,487</b>	<b>18,911,750</b>	<b>(20,095,081)</b>	<b>(849,000)</b>	<b>10,348,156</b>
<b>TOTAL FUNDS</b>	<b>13,038,595</b>	<b>19,035,671</b>	<b>(20,606,177)</b>	<b>(849,000)</b>	<b>10,619,089</b>

**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.

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 -

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 2021.

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

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

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

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

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Burford Church of England Primary School	62,367	59,921
Bitterley Church of England Primary School	(53,838)	(20,719)
St Michael's Church of England Primary School	171,090	169,252
Burley Gate Church of England Primary School	196,012	166,322
Central	(116,678)	(166,916)
Ludlow Church of England School	(233,814)	(47,732)
Ludlow Primary School	316,506	166,981
Morville Church of England Primary School	91,306	51,868
St Thomas Cantilupe Church of England Academy	77,232	100,630
Tenbury Church of England Primary School	69,648	70,853
The Hereford Academy	(77,353)	(245,518)
Bishop's Castle Primary School	75,771	52,721
Conover Church of England Primary School	31,876	77,268
St Edward's Church of England Primary School	175,317	121,179
St George's Church of England Academy Clun	(15,596)	56,780
Eastnor Parochial Primary School	36,220	45,218
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	806,066	658,108
Restricted fixed asset fund	25,418,023	26,515,487
Pension reserve	(15,605,000)	(14,135,000)
	<hr/>	<hr/>
<b>TOTAL</b>	<b>10,619,089</b>	<b>13,038,595</b>
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<b>Deficit £</b>
Bitterley Church of England Primary School	<b>48,852</b>
Ludlow Church of England School	<b>147,508</b>
The Hereford Academy	<b>77,353</b>
Central	<b>116,678</b>
St George's Church of England Academy	<b>15,596</b>

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 - Bitterley have been working with the central finance team to ensure that they return to a surplus within three years, and this is the end of the first year of that period. In addition to the planned deficit for 20-21, Bitterley have also experienced a change in staffing that has increased the deficit.

Ludlow Church of England School - this deficit has been declared to both the Board and to the ESFA, and is the result of a staffing structure which has a high retention rate and low turnover. There are planned reductions and restructures over the coming years, and the Central Team is heavily involved in working with the academy to return to a surplus position within five years.

The Hereford Academy - this deficit has improved from last year, and the academy have a strong three year budget to ensure that they return to a surplus. They are ending 20-21 in a surplus position in year, and are now focusing on building up their reserves. There has been another support staff restructure, saving additional funds, and the BFRO shows a healthy carry forward within five years.

Central - this deficit was caused in the main by the funding of the new build at LCE, at a cost of £420,000 from Reserves. The Central function also supported an overhaul of teaching and learning at STC in particular, and also at THA. The Central function continues to support and fund additional teaching and learning across DHMAT, but does intend to return to a surplus position within three years.

St George's Church of England Academy - St George's will be working with the central team to ensure they return to a surplus.

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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 2021 £	Total 2020 £
Burford Church of England Primary School	481,182	85,200	16,187	134,318	<b>716,887</b>	657,798
Bitterley Church of England Primary School	450,997	87,379	12,026	86,002	<b>636,404</b>	559,456
St Michael's Church of England Primary School	336,052	64,955	14,727	119,882	<b>535,616</b>	471,677
Burley Gate Church of England Primary School	287,122	72,482	19,359	89,946	<b>468,909</b>	461,755
Central	-	366,258	-	900,471	<b>1,266,729</b>	1,329,964
Ludlow Church of England School	2,598,020	395,639	87,392	564,214	<b>3,645,265</b>	3,587,953
Ludlow Primary School	1,320,227	277,752	27,325	300,988	<b>1,926,292</b>	2,070,885
Morville Church of England Primary School	184,591	36,695	1,366	87,752	<b>310,404</b>	288,492
St Thomas Cantilupe Church of England Academy	783,221	128,563	21,251	180,011	<b>1,113,046</b>	1,184,251
Tenbury Church of England Primary School	735,564	123,071	2,696	159,172	<b>1,020,503</b>	941,530
The Hereford Academy	2,311,263	666,576	112,635	690,057	<b>3,780,531</b>	3,954,224
Bishop's Castle Primary School	482,348	68,325	10,528	148,626	<b>709,827</b>	667,709
Condover Church of England Primary School	526,388	99,405	4,923	96,059	<b>726,775</b>	700,297



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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 2021 £	Total 2020 £
St Edward's Church of England Primary School	184,817	43,768	2,539	68,025	<b>299,149</b>	259,272
St George's Church of England Academy Clun	295,609	70,189	11,947	101,318	<b>479,063</b>	479,343
Eastnor Parochial Primary School	348,920	39,604	9,134	95,405	<b>493,063</b>	471,445
<b>ACADEMY TRUST</b>	<b>11,326,321</b>	<b>2,625,861</b>	<b>354,035</b>	<b>3,822,246</b>	<b>18,128,463</b>	18,086,051

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	24,853,687	<b>24,853,687</b>
Current assets	270,933	2,010,009	564,336	<b>2,845,278</b>
Creditors due within one year	-	(1,008,861)	-	<b>(1,008,861)</b>
Creditors due in more than one year	-	(466,015)	-	<b>(466,015)</b>
Provisions for liabilities and charges	-	(15,605,000)	-	<b>(15,605,000)</b>
<b>TOTAL</b>	<b>270,933</b>	<b>(15,069,867)</b>	<b>25,418,023</b>	<b>10,619,089</b>

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

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

**22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(1,570,506)</b>	(1,964,631)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>1,856,714</b>	1,317,149
Capital grants from DfE and Other Capital Income	<b>(759,250)</b>	(337,579)
Defined benefit pension scheme cost less contributions payable	<b>359,000</b>	465,000
Defined benefit pension scheme finance cost	<b>262,000</b>	305,000
Decrease in stocks	<b>7,256</b>	-
Decrease in debtors	<b>121,288</b>	1,523,755
Increase/(decrease) in creditors	<b>23,314</b>	(127,341)
Interest received	<b>(16)</b>	(1,086)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>299,800</b>	1,180,267

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**23. CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Cash inflows from new ESFA loans	-	407,768
Repayments of ESFA loans	<b>(33,210)</b>	-
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(33,210)</b>	<b>407,768</b>

**24. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Interest received	<b>16</b>	1,086
Purchase of tangible fixed assets	<b>(458,904)</b>	(2,417,377)
Capital grants from DfE Group	<b>759,250</b>	337,579
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>300,362</b>	<b>(2,078,712)</b>

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Cash in hand and at bank	<b>2,263,977</b>	1,697,025
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,263,977</b>	<b>1,697,025</b>

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

	<b>At 1 September 2020 £</b>	<b>Cash flows £</b>	<b>Other movements £</b>	<b>At 31 August 2021 £</b>
Cash at bank and in hand	<b>1,697,025</b>	<b>566,952</b>	-	<b>2,263,977</b>
Debt due within 1 year	<b>(57,000)</b>	<b>33,210</b>	<b>(34,753)</b>	<b>(58,543)</b>
Debt due after 1 year	<b>(500,768)</b>	-	<b>34,753</b>	<b>(466,015)</b>
	<b>1,139,257</b>	<b>600,162</b>	-	<b>1,739,419</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**27. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £184,601 were payable to the schemes at 31 August 2021 (2020 - £178,089) and are included within creditors.

**TEACHERS' PENSION SCHEME**

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

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

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,555,012 (2020 - £1,513,283).

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**27. 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 2021 was £1,143,000 (2020 - £1,112,000), of which employer's contributions totalled £954,000 (2020 - £921,000) and employees' contributions totalled £ 189,000 (2020 - £191,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

**PRINCIPAL ACTUARIAL ASSUMPTIONS**

	<b>2021</b>	2020
	%	%
Rate of increase in salaries	<b>4.0</b>	3.7
Rate of increase for pensions in payment/inflation	<b>2.9</b>	2.4
Discount rate for scheme liabilities	<b>2.8</b>	2.3
Inflation assumption (CPI)	<b>1.7</b>	1.8

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

	<b>2021</b>	2020
	Years	Years
Retiring today:		
Males	<b>23.0</b>	22.9
Females	<b>25.1</b>	25.0
Retiring in 20 years:		
Males	<b>24.3</b>	24.2
Females	<b>26.7</b>	26.6

**SENSITIVITY ANALYSIS**

	<b>2021</b>	2020
	£000	£000
Discount rate +0.1%	<b>891</b>	804
Mortality assumption - 1 year increase	<b>965</b>	866
CPI rate +0.1%	<b>949</b>	856
Pay growth +0.1%	<b>922</b>	834

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**27. PENSION COMMITMENTS (CONTINUED)**

**SHARE OF SCHEME ASSETS**

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

	2021 £	2020 £
Equities	6,807,000	4,363,000
Bonds	900,000	1,232,000
Property	396,000	365,000
Cash and other liquid assets	210,000	234,000
Other	1,630,000	1,318,000
<b>Total market value of assets</b>	<b>9,943,000</b>	<b>7,512,000</b>

The actual return on scheme assets was £1,347,000 (2020 - £86,000).

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

	2021 £	2020 £
Current service cost	(1,313,000)	(1,320,000)
Interest cost	(390,000)	(305,000)
Interest income	144,000	111,000
Administrative expenses	(16,000)	(16,000)
<b>Total amount recognised in the consolidated statement of financial activities</b>	<b>(1,575,000)</b>	<b>(1,530,000)</b>

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

	2021 £	2020 £
<b>AT 1 SEPTEMBER</b>	<b>21,669,000</b>	17,082,000
Current service cost	1,313,000	1,320,000
Interest cost	390,000	305,000
Employee contributions	189,000	191,000
Actuarial gains	2,083,000	3,017,000
Benefits paid	(51,000)	(403,000)
Losses on curtailments	-	(2,000)
Past service cost	-	159,000
Other movements	(45,000)	-
<b>AT 31 AUGUST</b>	<b>25,548,000</b>	21,669,000

**DIOCESE OF HEREFORD MULTI ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**27. PENSION COMMITMENTS (CONTINUED)**

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

	<b>2021</b>	2020
	£	£
<b>AT 1 SEPTEMBER</b>	<b>7,538,000</b>	5,829,000
Interest income	<b>144,000</b>	111,000
Actuarial gains	<b>1,234,000</b>	905,000
Employer contributions	<b>954,000</b>	921,000
Employee contributions	<b>189,000</b>	191,000
Benefits paid	<b>(51,000)</b>	(403,000)
Administration expenses	<b>(16,000)</b>	(16,000)
Other movements	<b>(49,000)</b>	-
<b>AT 31 AUGUST</b>	<b>9,943,000</b>	7,538,000

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2021 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	Group	<b>Trust</b>	Trust
	<b>2021</b>	2020	<b>2021</b>	2020
	£	£	£	£
Not later than 1 year	<b>35,190</b>	35,190	<b>35,190</b>	35,190
Later than 1 year and not later than 5 years	<b>35,131</b>	70,321	<b>35,131</b>	70,321
	<b>70,321</b>	105,511	<b>70,321</b>	105,511

**29. 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.

**30. RELATED PARTY TRANSACTIONS**

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

During the year purchases were made from Dove House Consultancy Limited, of which D Lewis is a Director, totalling £74,484 (2020: £80,559). There was a balance of £5,968 outstanding at the year-end (2020: £NIL).

Also during the year, sales totalling £NIL were made to The Hereford Diocesan Board of Education, of which A Teale holds a common directorship (2020: £51,197). There was no balance outstanding at the year-end (2020: £NIL)

**31. GENERAL INFORMATION**

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