

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2020

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Sir Roger Fry
Worcester Diocesan Academy Trust (Corporate member)
Hugh Richards
Shahne Vickery (resigned 6 November 2019)

Trustees

Margaret James
Claire Davies, Chief Executive
Hugh Richards, Chair
Philip Mitchell
Christopher Stephens
Nigel Petrie
Samantha Porter
Alan Soper
Ruth Walker

Company registered number

10390487

Company name

The Diocese of Worcester Multi Academy Trust

Principal and registered office

Field House
29 Sansome Walk
Worcester
WR1 1NU

Company secretary

Claire Roberts

Chief executive officer

Claire Davies

Senior management team

Claire Davies, Chief Executive Officer
Russell Dalton, Chief Operating Officer (resigned 31 August 2020)
John McMillan, School Improvement Lead (Consultant)
Claire Roberts, Head of Compliance
Claire Rushton, Head of Finance

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

Independent auditors

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank
4 The Cross
Worcester
WR1 3PY

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates fourteen academies for pupils aged up to 14 and serves schools within Worcester Diocese catchment area. This includes the Local Authorities of Worcestershire and Dudley.

The Multi Academy Trust caters for approximately 2200 pupils at full capacity.

The fourteen Academies are;

<u>Academy</u>	<u>NOR</u>	<u>Date joined the Trust</u>
Malvern Parish CofE Primary School	205	1 January 2017
Littleton's CofE First School	134	1 February 2017
Offenham CofE First School	109	1 February 2017
St Barnabas CofE First & Middle School	289	1 March 2017
Crowle CofE First School	66	1 March 2017
St Nicholas CofE Middle School	298	1 April 2017
Pinvin CofE First School	121	1 April 2017
Madresfield CofE Primary School	102	1 May 2017
Netherton CE Primary School	386	1 Nov 2017
St. Oswald's CE Primary School	183	1 February 2018
Castlemorton CE Primary School	84	1 July 2018
Powick CE Primary School	189	1 July 2018
Broadheath CE Primary School	165	1 December 2019
Martley CE Primary School	148	1 December 2019

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of The Diocese of Worcester Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Diocese of Worcester Multi Academy Trust. Its articles were adopted on 12th September 2016.

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

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease 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.

c. Trustees' indemnities

The Trust has opted into the Department for Education's Risk Protection Arrangement. This is an alternative to insurance where the UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The members appoint a minimum of 5 Directors / Trustees. The Directors appointed under Article 50 of the Articles of Association can, with the consent of Worcester Diocesan Academies Trust appoint up to 2 co-opted Directors for such term (not exceeding 4 years) and otherwise upon such conditions as they see fit.

Trustees are recruited onto the Board based on their specialist skills and empathy for the ethos of the Trust and its objectives. Trustees and officers nominate new Trustees to the members for appointment. Appointments are formally approved by resolution. The articles stipulate no fewer than five trustees must be in place with a term of office of three years.

e. Policies adopted for the induction and training of Trustees

The Trustees recognise the need not only to recruit Trustees with appropriate skills and experience but also to ensure that new Trustees are fully inducted into their roles and responsibilities. The training and induction provided for new Trustees will depend on their existing experience. However, all new Trustees receive an induction pack providing information regarding the responsibilities of charitable trustees and the operation of the Trust, including constitutional documents, annual accounts and minutes of meetings. New Trustees are encouraged to visit Trust academies and participate in training offered centrally for Governors

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Organisational structure

Governance:

The governance of the Trust is defined in the Memorandum and Articles of Associations together with the funding agreement with the Department for Education.

The Board of Trustees is responsible for;

1. Ensuring that the vision, ethos and strategic direction of the Trust are clearly defined and implemented
2. The performance of the Trust academies
3. Ensuring the sound, proper and effective use of the school's financial resources

The Chief Executive Officer (CEO) is the Accounting Officer and responsible for the day to day management of the Trust.

Academy Governance:

Each academy has its own Local Academy Board (LAB). Responsibilities are delegated by the Trust to the LAB through a scheme of delegation. The key functions of the LAB include;

1. Ensuring the vision, ethos and strategic direction of the school are clearly defined and implemented
2. Ensuring the Headteacher performs his/ her responsibilities for the educational performance of the school
3. Ensuring sound, proper and effective use of the school's financial resources

The Headteachers'(Executive Headteacher / Head of School) responsibilities include;

1. The internal organisation, management and control of the academy
2. The educational performance of the school

The Board of Trustees normally meets once every half term. The Board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of the Committees and other groups. It monitors the activities of the LABs and Committees through the minutes of their meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Trust's key management personnel are appointed by the Trustees with the pay scale for each post agreed in advance in accordance with nationally recommended pay scales or senior leadership scales, as appropriate.

Salaries for central staff are reviewed by the Trustees following an annual Performance Management Review and benchmarked against agreed pay scales.

The salaries of all Headteachers in Trust academies are reviewed annually in accordance with the School Teachers Pay and Conditions Guidance (2016) following an annual Performance Management Review which is undertaken by the Trust and representatives of the LGB.

The salaries of all other senior leaders in Trust academies are reviewed annually in accordance with the School Teachers Pay and Conditions Guidance (2016) following an annual Performance Management Review which is undertaken by the Headteacher of the school.

Details of Trustee's expenses and related party transactions are disclosed in the notes to the accounts.

h. Trade Union Facility Time

Trade Union Facilities time is currently charged at £1.91 per pupil and therefore there would be a charge of £4,095.04 for provision across the Trust.

i. Related Parties and other Connected Charities and Organisations

The trust is connected to the WDAT and the Diocese of Worcester Board of Education (DBE). Neither WDAT nor the DBE receive any financial gain from the Trust.

In 2016, the Diocesan Board of Finance agreed a grant of £250 000 over a 3 year period to support the work of the Trust.

The following Trustees of the Board of the Diocese of Worcester Multi Academy Trust are also members of the DBE: Mrs Margaret James DBE.

Mr Hugh Richards, the Chair of the Board of Directors is also a member of the Diocesan Synod and Chairman of the House of Laity.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities

Vision and Values of the Trust

'To Love, To Learn, To Serve' sums up the DoWMAT's vision for those who come together to create the MAT, enabling all to flourish both as individuals and in community with each other; living life in all its fullness (John 10:10).

To Love

The New Testament sums up the entire law as a call to "love your neighbour as yourself" (Galatians 5:14). The Bible teaches that we are only able to love because God first loved us (1 John 4:10). This love is expected to characterise the way in which the DoWMAT operates, makes decisions, builds relationships, and carries out its day-to-day business: each person putting the needs of others before their own, with a commitment to the flourishing of all. The exposition of love in 1 Corinthians 13 reminds us that love is patient, kind, forgiving, generous, humble, trusting, respectful, hopeful, resilient and enduring. Those who learn and work in the DoWMAT, and all who come into contact with it, can expect to experience that love in the way that they are treated.

Therefore, we:

- treat everyone with love and respect in the same way that we, ourselves, would like to be treated
- recognise that everyone is a child of God and has talents which are to be nurtured
- welcome people who are different from us and treat them with dignity and respect at all times

To Learn

The DoWMAT is a Christian learning community that is committed to enabling all to live a life of freedom and transformation as a result of the hope and wisdom that learning brings. Learning is at the heart of the Church of England's vision for and commitment to education. Growing in wisdom is celebrated in the Bible and all are exhorted to listen, to seek guidance, to acquire knowledge and to learn discretion (Proverbs 1: 1-6), largely through human relationships and interactions. Jesus' teaching, as summed up in the Beatitudes (Matthew 5:3-10), describes human beings who are learning to live a life that is characterised by humility, compassion, mercy, righteousness and peace. The learning that takes place within the DoWMAT is expected to be recognisably rooted in these godly characteristics and focused upon enabling the holistic development of people who are made in the image of God.

Therefore, we:

- are committed to enabling a lifelong love of learning through growing and celebrating together
- will ensure that our curriculum, resources and professional development enable all to flourish
- prioritise spiritual development and growth for all

To Serve

Service and servant leadership, was a striking feature of the way in which Jesus lived his life. The example he gave to his disciples in washing their feet (John 13:1-17) provides us with a role model for the way in which we should seek to live in community with others. Putting the needs of others before our own, supporting people in their growth and development as holistic human beings, enabling people's gifts and talents to come to the fore as a result of our service to them are all defining characteristics of the way in which the DoWMAT operates. In serving others and meeting their needs through generosity of spirit, we manifest God's grace and love for others (1 Peter 4:8-11).

Therefore, we:

- consider others at all times rather than always putting 'me' first
- ensure that everyone is safe and has their needs understood and met
- live and work in a way that is deeply Christian and which serves the common good

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

These core values underpin all aspects of our Trust as we strive to make a positive difference to the lives of all DoWMAT pupils whilst they are at school and in later life. Through these values, we can be sure our community is one of hope; a place of transformation and trust, where all are treated with respect and dignity.

a. Objects and aims

- DoWMAT will work with academies so that they are able to realise the benefits of a collaborative approach to sustaining and developing excellent educational provision.
- The vision is to build a community of learning where staff and pupils can realise their potential and enjoy life in all its fullness. We will support leaders at all levels so that they have the capability and drive to effectively manage change, in an ever shifting educational landscape.
- We will adopt a collegiate approach to developing communities of excellence, working in partnership with schools and our educational partners to design flexible models of working which fully utilise the expertise which exists within local schools.
- We will build on the current effective practice within the Diocese of Worcester, where the majority of all church schools are good or outstanding, so that clusters of schools can grow together.
- We will provide half termly school improvement to ensure that standards within the DoWMAT are of the highest calibre and that expectations in all our school are clearly articulated and understood by all stakeholders.

b. Objectives, strategies and activities

Leadership and Management

- 1.1 To strengthen Governance across the Trust to ensure leaders at all levels fully understand their roles and responsibilities and are proficient in carrying these out
- 1.2 To review the Trust's financial systems and processes (including Risk Management) to ensure these are robust, compliant and effective
- 1.3 To strengthen leadership across the Trust
- 1.4 To increase opportunities for collaboration and the sharing of good practice across Trust

Quality of Teaching, Learning and Assessment

- 2.1 To improve teaching to ensure teaching in all key stages and all subjects is always good and often outstanding in all Trust academies
- 2.2 To ensure assessment and pupil tracking systems across all Trust academies are consistent, robust and effective in supporting enhanced progress and outcomes for all pupils
- 2.3 To ensure all academies embed a broad, purposeful curriculum with a high focus on raising expectations and outcomes

Personal Development, Behaviour and Welfare

- 3.1 To establish Trust systems to acknowledge and support staff well-being
- 3.2 To take active steps to ensure excellence in Safeguarding provision in each Trust academy

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

Outcomes for Children

- 4.1 To ensure Trust outcomes for all pupils in terms of the progress they are making from EYFS to KS1 and from KS1 to KS2 and from Year 6 to Year 7 improve as compared to national averages and overall trends
- 4.1 To ensure Trust outcomes for all pupils in terms of the progress they are making from EYFS to KS1 and from KS1 to KS2 and from Year 6 to Year 7 improve as compared to national averages and overall trends
- 4.2 To improve outcomes for Pupil Premium children across the Trust

Effectiveness of Early Years Provision: Quality and Standards

- 5.1 To increase the percentage of children achieving Good Level of Development across the Trust
- 5.2 To review curriculum provision for the Early Years in all Trust academies to ensure all pupils receive enriched curriculum opportunities and are well supported to make excellent progress

c. Public benefit

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

The vision of the Trust is to deliver excellence in education and the very best outcomes for children and young people so that they can achieve their fullest potential - in line with its aims and the Church of England vision for education.

In order to fulfill its public benefit, the Trust has set up systems to support each academy in terms of school improvement. Each school has an advisor who carries out one monitoring visit per term, providing written feedback to both the schools and the Trust Board with regard to school strengths and areas for development. The Board monitors school performance through regular data trawls and reviews with each Headteacher. Strategies to intervene in the case of underperformance are in place.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report

Achievements and performance

The Trust was set up on 12th September 2016. The earliest academies joined the Trust on the 1st February 2017.

There are currently there are fourteen academies within the Trust.

Summary for each academy within the trust:

- **Castlemorton CE Primary School** – last Ofsted inspection January 2017 Requires Improvement. This academy joined the trust in July 2018. Assessment data improved in 2018. Data for 2019 also showed improvement. The significant progress the school has made was reflected in its SIAMs inspection in March, 2020-The school was rated 'Excellent'.
- **Crowle CE First School** – last Ofsted inspection October 2019 Good. The current Headteacher started in January 2018, following the retirement of the previous Headteacher at the end of Autumn 2017. Leadership and management, to include Governance, are strong and the academy has particular strength in curriculum development and leadership.
- **Madrefield CE Primary School** – last Ofsted inspection January 2013 Good. Attainment and progress improved in 2018, and improved significantly in 2019. Leadership at all levels has improved significantly. Following the retirement of the previous Headteacher, the school has changed its leadership structure. The school now has an Executive Headteacher and a Head of School.
- **Malvern Parish CE Primary School** – last Ofsted inspection March, 2020 Good. Attainment above national in all phases in 2018, but significantly lower in 2019. The academy was predicting a return to above average attainment in 2020. Leadership and management in this academy is a strength.
- **Netherton CE Primary School** – last Ofsted inspection February 2014 Good. Attainment in KS1 and KS2 significantly below national in 2019. This academy will continue to need high levels of support and challenge in 2019/20. The Trust leads monthly Rapid Improvement Board meetings with the R.I.B. having taken on the role of the Local Academy Board.
- **Offenham CE First School** – last Ofsted inspection January 2020 Good. Assessment data for 2019 showed attainment that was in line with national for Reading and above national for Writing and Maths at the end of KS1. Above average attainment had been predicted for 2020. The percentage of children achieving a good level of development at the end of the EYFS was in line with national levels. Leadership and management in this academy is a strength.
- **Pinvin CE First School** – last Ofsted inspection March 2020 Good. Although the school still needs to improve, it is now in a far stronger position. This academy is federated with St. Nicholas CE Middle School. The school has experienced two years of exceptional staffing turbulence. From September, 2020 the school has had a newly-appointed Headteacher and Deputy Headteacher.
- **Powick CE Primary School** – last Ofsted inspection July 2012 Outstanding. This academy joined the Trust in July 2018. The Trust evaluation was that the school had significant weaknesses in quality of provision prior to joining. There has been a highly significant improvement in the quality of leadership since September, 2018. This has started to have an impact on pupil progress and attainment. This is an improving school. The academy will continue to have high levels of support and challenge in 2020/21.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

- **St. Barnabas CE First and Middle School** – last Ofsted inspection January 2020 Requires Improvement. Improving leadership has led to a significant increase in attainment in Early Years and KS1. There has also been improvement in KS2. This is an improving school. The school will have regular Rapid Improvement Board meetings from September, 2020.
- **St. Nicholas Middle School** – last Ofsted inspection February, 2020 Inadequate (Serious Weaknesses). Despite the negative judgement the school is in an improving position. This academy is federated with Pinvin First School. The school experienced two years of exceptional staffing turbulence. The Executive Headteacher of the Federation left at the end of the Autumn term 2017 and an Acting Headteacher put in place for the Spring and Summer terms 2018 whilst the Federation recruited a replacement. The new Executive Head started at the Federation in September 2018 but left the post in August, 2019. Since September, 2020 the school has had a new Headteacher, a new Deputy Headteacher and a re-structured leadership team. This academy will continue to have high levels of support and challenge in 2020/21. This will include monthly Rapid Improvement Board meetings.
- **St. Oswalds CE Primary School** – last Ofsted inspection June 2014 Good. GLD improved in 2019. KS1 attainment was below national, but this was a low attaining cohort at the end of Foundation Stage. Although attainment remains below national in KS2, there is an improving picture. This is an improving school.
- **The Littletons CE First School** – last Ofsted inspection January, 2020 Good. Outcomes improved significantly in 2019, with attainment being well above average in both Early Years and KS1. Leadership is strong and effective.
- **Martley CE Primary / Broadheath Primaries** - These schools both joined the Trust in December 2019. From January, 2020 the schools changed their leadership structures with the Headteacher at Broadheath becoming Executive Headteacher of the two schools. Each school also has a Head of School. Both of the schools have a history of above average attainment. Currently the Quality of Education is seen as being stronger at Broadheath.

Virus Control Measures

This year presented some additional challenges with regard to Covid-19, that required some additional measures to mitigate the effect on the Trust's main aims and objectives.

Initially, all DoWMAT academies were able to provide for key worker children and vulnerable children from the 23rd March. Offenham CE First School and the Littleton's CE First School, alternated the provision from each school on a weekly basis. Broadheath CE Primary and Martley CE Primary operated together from Broadheath Primary for the whole of the lockdown period.

From 1st June 2020, schools and academies were asked to re-open for children from Years N, R, 1 and 6, whilst retaining full time places for vulnerable and key worker children. In terms of the thinking behind our decisions regarding re-opening, the Trust Board and Executive Leadership Team of the DoWMAT;

- acknowledged the concerns and anxieties of staff members, families and unions that arose following the Government's request for schools and academies to plan for re-opening in certain year groups, from the 1st June
- recognised the imperative of being fully prepared for the re-opening of our academies and giving the utmost regard to the safety of both staff and pupils
- remained committed to ensuring that any re-opening was undertaken with the highest degree of care and consideration

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

To this end, DoWMAT took a local risk assessment based approach to the phased re-opening of its academies to children from 1 June 2020.

DoWMAT instructed its school leaders to prepare a risk assessment to underpin and inform plans for the phased re-opening of each academy. We directed what such risk assessments needed to include. Each academy has been guided towards the Risk Assessment proforma / considerations recommended by their respective Local Authority; Dudley or Worcestershire. Each local risk assessment and plan was then approved by the Headteacher (or Acting Headteacher where appropriate) and the Local Academy Board ("LAB") (the local governing body).

Each academy's risk assessment and plans were then submitted to the DoWMAT CEO for approval under arrangements put in place by the DoWMAT Board. Where we felt the academy risk assessment or plan was judged to be inadequate, further guidance and local risk assessment was asked for.

There was an expectation that these risk assessments and plans were 'living' documents. They were revised locally in order to take account of local experience, as the phased re-opening progressed. Headteachers were asked to consult with staff, the Chairs of LABs and the DoWMAT CEO over any proposed changes.

Guidance provided for our academy leaders stressed the importance of adopting a precautionary approach following extensive risk assessment process. The Health and Safety Checklist provided by the unions to inform planning was shared with all academy leaders in the expectation that it would be taken fully into account in local assessment. All documents and correspondence received from stakeholders was fully considered within the planning process. Any concerns were addressed by taking appropriate advice, thus enabling our Headteachers to make informed decisions.

Our academies all operate within different individual constraints / opportunities and so the plans for re-opening in each were varied. Some academies struggled for space and could only fit a limited number of children in each classroom whilst preserving the 2m distance rule. Some had substantially increased numbers of key worker children needing places and this impacted on the number of additional year groups they could take. Several members of staff across the Trust were apprehensive about returning despite the safety measures and risk assessments in place and one academy has a substantial proportion of staff who are clinically vulnerable or have family in this category and this impacted on their re-opening plans.

Equally, two of our larger academies who were able to take in Years N, R, 1 and 6 from the 1st June soon discovered they had more capacity and began to take in more children. By the end of the term, most academies were able to bring back the majority of children in each year group for several sessions.

The DoWMAT Central Team kept in close contact with each of our schools and all reported a smooth re-opening from the 1st June onwards. Staff are on the whole remained positive, and each academy had a good response from parents who are all followed the new 'rules' and the children were excited to be back in school and respectful of the new expectations.

The impact of Covid 19 is still being felt among all the schools in the Trust with closures, increased staffing and cleaning costs being the main aspects. The DoWMAT Central Team keeps in close contact with all its schools and is monitoring the situation closely.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

	KPI	Key Documents	RAG	Notes
1	Effective finance systems / policies in place so that funding is used properly, efficiently and effectively	Financial Policy Budget Monitoring Reports / Budget Setting Report Pay (and Appraisal) policy Anti Fraud and Corruption Policy and Procedure Competitive Tendering Policy Investment Policy 3-5 year Budget Plan	A	Trust follows Financial Regulations. Finance Policy in place Initial set of trust wide financial policies in place. These now need to be shared with all Trust academies. Policies reflect current practice. Budget Plan in place for 2019-2020. Takes school priorities evidenced by data into account. Actions are specific, accurately costed, planned within reasonable timescales and deliver impact for pupils.
2	3-year Trust Development Strategy in place	Trust Strategic Development Plan Trust Growth Plan	G	Strategy to take Trust priorities, evidenced by data, into account. Actions are specific, accurately costed, planned within reasonable timescales and deliver impact for pupils.
3	Effective financial monitoring systems in place	Financial Reports Feedback from Finance and Governance Audits RO reports Annual Accounts	G	Auditors and Responsible Officer in place and supporting effective financial practices.
4	Risk Management Policies and Procedures in place	Risk Management Policies and Procedures in place	G	Robust and proactive risk identification, mitigation and management for the Trust and each of its academies is in place.
5	Trust is fully compliant with all statutory obligations	DoWMAT Memorandum Articles of Association Audit returns	G	Trust is compliant with the Trust's Memorandum and Articles of Association together with all statutory, regulatory and legal requirements including Funding Agreements as set out in the Academies Financial Handbook and Statement of Recommended Practices (SORP) of the Charities Commission
6	Trust finances remain robust and in surplus	Trust cash flow and budget documentation	G	Trust finances become increasingly robust and an in year surplus is achieved.
7	Robust financial systems maintained in all Trust academies	Academy cash flow and budget documentation	G	Trust finances are in surplus. Robust finance systems set up in each DoWMAT academy. The majority of academies had an in-year deficit but this is being addressed with recovery plans in place and adhered to.
8	Strong Trust vision in place and shared with all academies	Trust Values and Vision Trust Strapline Equality Policy	G	Provides strong expectations for whole Trust and its academies on meeting the Church of England vision for Education.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

9	Strong Central Team with capacity to support all Trust academies	Central Team Staffing Structure	G	The Central Team now consists of 5 people to include; CEO, COO, Head of Education, Head of Compliance, Head of Finance.
10	Strong, robust Trust Governance structure in place	Strong, robust Trust Governance structure in place	G	Strong, robust Trust Governance structure in place
11	Strong collaborative relationships between all Trust academies to support academy / staff development	Trust Strategic Development Plan Minutes from Headteacher Meetings	G	All academies working collaboratively to share best practice.
12	Training opportunities available for trust and academy staff to further improve / deliver best practice		G	Training opportunities currently provided through the Diocese Education Team or external providers.
13	Bought in services and consultants provide high quality services for all academies		G	Bought in services include HR, Finance, Buildings, Health and Safety etc All school entitled to a termly visit from their individual Academy Learning Partner to provide challenge, feedback and advice.
14	Each Trust academy has a skilled, competent Senior Leadership Team in place capable of delivering high outcomes for children	Robust recruitment processes Academy Development Plans Emphasis on high quality provision for all children, including vulnerable groups Headteacher / SLT Appraisal Reports	A	Academy Senior Leadership teams hold a clear strategic vision for their academy based on Christian values which aligns with practice. They establish a culture of high expectations for all. They have a shared knowledge of what good and outstanding practice looks like and how to motivate others to achieve it. They use rigorous and regular monitoring and evaluation procedures, using a range of methods leading to improvements in the quality of teaching and pupil's progress. They ensure data is used accurately and effectively to understand the performance of all groups of pupils and to inform plans for improvement and are professionally skeptical in checking plans are working.
15	Staffing issues in schools being addressed promptly and effectively	Staffing issues in schools being addressed promptly and effectively	G	Academy Senior Leadership teams are effective in securing excellence in teaching and learning in their academy. Academy Senior Leadership teams are proactive in eliminating inadequate teaching.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

16	All Trust academies considered "good" or "outstanding" using DOWMAT's own system of assessment; corroborated by OFSTED and SIAMS inspections	Ofsted / SIAMS Reports ALP Reports Academy Self Evaluations	A	The Trust is acting to develop effective school development support for all academies plus tailored support based on the need / category of school; Self-Sustaining – Strongly Good / Outstanding academies Semi-Supported – Good academies requiring some support in some aspects Priority – Schools requiring improvement in several aspects
17	The vast majority of children in each academy make good or better progress – including vulnerable groups	The vast majority of children in each academy make good or better progress – including vulnerable groups	A	
18	Effective IT systems in place for communication and Trust wide data analysis	Effective IT systems in place for communication and Trust wide data analysis	A	A standardised assessment package is being introduced across the Trust.
19	Effective filtering process in place to review potential new convertors to the DOWMAT		G	All schools have effective due diligence in school improvement, HR, Finance, legal and buildings and premises. Board informed if any of these give cause for concern. Due diligence for HR is undertaken prior to conversion. It is essential that no school enters DOWMAT with a need to make staff redundant in order to balance the books.
20	Effective academy conversion processes in place	Conversion documents	G	Effective and efficient conversion programme in place. Experienced project manager in post.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The directors act in good faith to make decisions, the outcome of which, they consider will be most likely to promote the success of the company for the benefit of its members as a whole both in current periods and in the long term.

In discharging their duties above, the directors carefully consider amongst other matters, the impact on and interests of other stakeholders in the company and factor these into their decision making process.

Employees

Directors receive information on various staff KPI's. The directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The directors keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities where they are considered of benefit to the company and employees. Using the Company's recruitment and development strategies, the directors seek to attract and retain talented staff. The Company's policy regarding disabled persons is set out in the Directors' Report as well as further detail regarding communication with employees.

Customers

The directors commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and work quickly to resolve any isolated disagreements that may arise from time to time.

Suppliers

The directors have established Company procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers any undisputed amounts due and that conform with the Company's billing requirements within agreed terms. The Company has established procedures for dispute resolution in a timely and fair manner.

Community and the environment

The Company takes its role within the community very seriously and promotes and encourages community and charitable contribution. The Company also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Standards and conduct

The group, of which the company is a member, and the Company have a series of defined codes of practice regarding ethical standards and the conduct of business. These are clearly communicated to every staff member, adherence to which is expected and enforced.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

The Trust has a number of financial policies in place to ensure that it maintains and develops systems of financial control which conform to the requirements of propriety, regularity and of sound financial management.

These policies include but is not exhaustive to; Accounting, Risk Management, Gifts and Hospitality, Business Continuity, Charges and Remissions and Anti-Fraud. These policies are due to be reviewed 2019-2020. In addition, the Trust has an in-depth Financial Scheme of Delegation and Financial Procedures Document which all financial staff read and then sign to demonstrate acceptance.

DoWMAT receives 99% of its funding through the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG).

The main sources of income for the Academy Trust are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement official activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), any capital grants and donations of fixed assets 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 the Trust's accounting policies.

During the period ended 31 August 2020, total expenditure of £14,583,558 was mostly covered by recurrent grant funding from the DfE together with other incoming resources. These figures exclude the deficit on the Local Government Pension Scheme (see note 27 to the accounts).

At 31 August 2020 the net book value of fixed assets was £25,601,258 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The overall aim is to improve the financial sustainability of the Trust. To do this a reserves policy has been set to hold approximately 12% of total annual recurring income. At 31 August 2020 this amounts to approximately £1,500,000 compared to £645,000 of free reserves. The Trust is continuing to work with the schools to build these reserves up to the required level. If and when the reserves level exceeds 15% of annual recurring income a strategic plan will be developed to determine how to best utilise these excess reserves.

The Academy is holding reserves at 31 August 2020 of £16,951,402.

This comprises:

Restricted Funds deficit of £10,139,276
Unrestricted Funds of £645,317
Restricted Fixed Asset Funds of £26,445,361.

Restricted Funds comprises:

£10,139,276 deficit on the defined benefit pension scheme

The free reserves of the Academy Trust are £645,317 at 31 August 2020.

b. Investment policy

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return the policy is geared towards avoiding risk rather than to maximise return. The Trust's current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest.

The Trustees are aware that they have a responsibility to ensure that investment risk is properly managed. As such, they must:

- Know and act within their Trustee's powers to invest as set out in the Trust Articles of Association
- Exercise care and skill when making investment decisions, taking advice where appropriate
- Select investments that are right for the Trust
- Review investments periodically
- Follow the guidance contained in this policy
- Review the Trust Investment Policy regularly

The Trustees have full responsibility for any investments made on behalf of the Trust, including those made by any individual Academy within the Trust. Any individual academy looking to make an investment must first seek approval from the Trust Board.

The Director of Finance is responsible for producing reliable cash flow forecasts as a basis for decision making and for providing sufficient management information to the Trustees so they can review and monitor investment performance.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

c. Principal risks and uncertainties

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020. This process is regularly reviewed by the Board of Trustees.

Trustees review the Risk Register on a regular basis and look to see how are being alleviated. Principal risks include the following;

Financial: The Trust relies heavily upon continued government funding through the ESFA. The vast majority of incoming funds are government funded and whilst this is expected to continue, there is no guarantee that this public funding will continue at current levels. In addition, in the Pershore area, four academies have begun a change of age process - from a three tier school system to a two tier one. This could have a substantial impact on the funding levels of the two middle schools and three first schools within the Trust in that area.

Failure of governance (Trust and Local Academy Board level): The Trust commits to ensuring a high focus on strong governance; building up the skillset of the Board. The Board carries out a skills audit each year and will be organising a full Governance review over the next academic year. In the Autumn 2019, One Director will attend MAT Governance Leadership training. The Central Team provides Governance training for Local Academy Boards and the minutes of the Local Academy Boards and their committees are checked by the Head of compliance.

Failure of the leadership and management of the Trust (Compliance): This could arise from the potential failure to effectively manage Trust finances or comply with relevant regulations and legislation. To mitigate this, Trustees have employed a skilled finance team and ensures robust measures are in place to review current systems and procedures.

Capability Risk: This may occur should key leaders (Headteacher and Senior / Middle leaders) in any academy fail to carry out their role effectively. To mitigate this, the Trust has provided a series of training events for leaders at all levels with additional in situ support where needed. Where particular concerns are identified, interventions have been carried out rapidly by the Trust Central Team. The Trust Scheme of Delegated Authority has also been updated this year to facilitate additional means of intervention, should concerns be identified.

Reputational: The continuing success of the Trust depends on maintaining high educational standards and outcomes within Trust academies. This is particularly important in ensuring the Trust continues to attract additional schools and grows in number.

Staffing: The success of each individual academy depends on the quality of the staff and the leadership and management within each academy. The Trust has developed high quality training opportunities to support the continued professional development of each member of staff and regular reviews and visits from school improvement partners ensures each Headteacher is fully supported to develop strong systems for the leadership and management of their academy.

Safeguarding: This is a priority for the Trust. From September 2018, the Trust has introduced a strategy to allow for repeated safeguarding checks at each academy to ensure outstanding practice and procedures for safeguarding and child protection are in place in each DoWMAT academy.

Fraud / mismanagement of funds: The Trust central finance team are responsible for checking policies and procedures in each academy are followed effectively. To strengthen this aspect, the Trust has engaged a Responsible Officer from the start of September 2018 and is now introducing a robust spot checking procedure and monthly meetings between the COO and each individual academy Business Manager.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Fundraising

The charitable company had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption breakdown (kWh):	
Gas	1,410,513
Electricity	476,601
Transport fuel	92,692
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	259
Oil consumption	23
Total scope 1	282
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	111
Total gross emissions (in tonnes of CO2 equivalent):	393
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.186

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

The Academy Trust is looking to improve energy efficiency further this year by undertaking a full review of consumption within the Trust and assess whether there are any further improvements that can be made. An independent third party has already been appointed to undertake this review.

There have been various capital projects looking to improve energy efficiency including double glazing windows, roofing, replacement boilers, draught repairs, automatic controls and use of video conferencing. The Trust plans to continue to implement energy saving measures as they are identified.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Plans for future periods

Our ambition is to ensure that every academy within the Trust provides excellent learning outcomes for all pupils. In order to achieve this, the Trust intends to extend and embed collaborative learning and professional development opportunities for all teachers and professionals throughout the Trust in order to ensure all staff are both confident and competent to deliver excellent provision for teaching, learning and the personal well-being for all pupils.

The Trust will continue to address key areas of focus, including provision for Pupil Premium children and vulnerable groups, and maximising attainment for higher attaining pupils.

The Trust will encourage each academy to continue working with partner schools to improve the educational opportunities for pupils within their wider communities.

The Trustees are looking to increase the number of academies within the Trust and alongside this, to maximise opportunities for central procurement, reviewing and benchmarking contracts and services to ensure value for money. The Trust is exploring the introduction of grouping academies in geographical clusters.

The Trust has increased the size of the Central team to maximise the effectiveness and increase the range of support offered to each DoWMAT academy and will continue to make any necessary amendments to ensure this robust support continues.

Recently, historical complexities from when the trust academies operated their own bank accounts have been identified as a cause for concern and the trust board has taken steps to employ an external consultant to identify / amend any errors and provide additional scrutiny on control measures.

The trust board have re-established a focus on future growth with a planned review for the forthcoming academic year of the trust offer, publicity and the development of strategies to support further diocesan schools to join the Trust.

Funds held as custodian on behalf of others

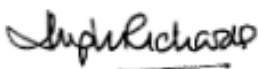
DoWMAT holds no funds as custodian trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 January 2021 and signed on its behalf by:



Hugh Richards
Chair of Trustees

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Diocese of Worcester Multi Academy Trust (DoWMAT) 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 Trustees 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 requirements and responsibilities assigned to it in the funding agreement between The Diocese of Worcester Multi Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Margaret James	4	6
Claire Davies, Chief Executive	6	6
Hugh Richards, Chair	6	6
Philip Mitchell	5	6
Christopher Stephens	5	6
Nigel Petrie	6	6
Samantha Porter	5	6
Alan Soper	5	6
Ruth Walker	5	6

The Trustees have met regularly over the year. During this time, the following changes have occurred;

1. One Director resigned from WDAT.
2. There were no changes to the DoWMAT Trust Board.

During the year, it was not possible to conduct a full review into the skill set of the trustees.

However, the addition of two new governors with finance / business backgrounds through the Ambition Institute, in May 2019, immediately prior to the 2019-2020 academic year, provided the board with much needed expertise in these areas – identified as a concern through the previous year's skills audit. We also gained a third new trustee with an educational background to provide additional challenge with regard to the Quality of Education and Safeguarding offered in each of our academies.

One new board member undertook the Church of England MAT Governance Leadership programme (November 2019) in partnership with the Confederation of Schools Trust, specifically for MAT Governance leaders to enable them to increase their capability and skills in this challenging and unique leadership role.

The Chair of the Finance and Audit Committee also attended the National Academies Finance Conference (December 2019) with the CEO to support the trust preparedness in;

- Assessing the funding landscape facing academies and the next steps in supporting financial sustainability
- Exploring how academies can ensure effective resource management and efficiency whilst delivering high quality provision

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Examining the role of trustees and senior leaders in supporting rigorous oversight and accountability of financial outcomes
- Evaluating the latest guidance in developing long term financial planning and budgeting across a trust

It is the intent of the Board to conduct a full audit of trustee skills during the Spring term 2021 with a view to ensuring any gaps are filled for the start of the 2021-2022 academic year.

The Board have received detailed data and information in respect of the Trust and the individual schools on which to base decision making and the allocation of resources to fund priorities. The Board has challenged the information when appropriate.

The Audit Committee is also a sub-committee of the main board of Trustees.. Three of the new Directors have been allocated responsibility within the Finance and Audit Committee. The Committee convened 9 December 2019 to approve the accounts.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Alan Soper (Chair)	7	7
Hugh Richards	7	7
Claire Davies	6	7
Christopher Stephens	6	7
Nigel Petrie	7	7

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by

- Joint procurement of a new Trust wide assessment system at a cost of £1 per pupil.
- Trust wide tender for Photocopiers.
- Peer to Peer internal assurance reviews.
- Collaborative training events.
- Centralised compliance.
- Utilising internal resources for training, advice and compliance checking:
 - o Safeguarding
 - o Early years
 - o Maths
- Increased centralised knowledge and expertise for advice and support.
- Reduction in requirement for external contractors.
- Central team conducting due diligence process.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 The Diocese of Worcester Multi Academy Trust (DoWMAT) for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

The 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 regular financial reports which are reviewed and agreed by the Board
- regular reviews by the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- delegation of authority and segregation of duty
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Suzanne Taylor, the CFO of Rivers Trust, to perform a peer review.

As well as directing the priorities based on items highlighted in the Auditors Management Letter, the Trustees see the reviewer's role to include advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period focussed on the payroll systems and controls. The planned visits during the spring and summer terms were cancelled due to the COVID-19 restrictions.

The reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

In 2020-21 the central team will undertake further training in this area to ensure that there is an updated focus on the internal scrutiny process and will ensure that 2 visits are undertaken by the reviewer during the forthcoming financial year.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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

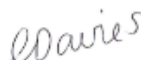
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5 January 2021
behalf by:



Hugh Richards
Chair of Trustees

and signed on their



Claire Davies
Accounting Officer

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Diocese of Worcester Multi Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

Claire Davies

Claire Davies
Accounting Officer
Date: 5 January 2021

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial . Under company law, the Trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

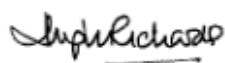
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company'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 Trustees on 5 January 2021
and signed on its behalf by:



Hugh Richards
Chair of Trustees

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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:

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

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees 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 Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.


Auditors' responsibilities for the audit of the financial statements

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

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



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20 January 2021

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 28 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Worcester Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Diocese of Worcester 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 The Diocese of Worcester 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 The Diocese of Worcester Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Diocese of Worcester Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Diocese of Worcester Multi Academy Trust's funding agreement with the Secretary of State for Education dated 30 January 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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



Crowe U.K. LLP

Reporting accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20 January 2021

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	96,857	(538,846)	3,762,112	3,320,123	321,581
Charitable activities	4	344,404	12,282,634	-	12,627,038	11,319,836
Other trading activities	5	104,182	-	-	104,182	70,409
Investments	6	1,493	-	-	1,493	1,034
Total income		546,936	11,743,788	3,762,112	16,052,836	11,712,860
Expenditure on:						
Charitable activities	7	447,512	13,604,159	531,887	14,583,558	12,580,412
Total expenditure		447,512	13,604,159	531,887	14,583,558	12,580,412
Net income/(expenditure)		99,424	(1,860,371)	3,230,225	1,469,278	(867,552)
Transfers between funds	18	(479,570)	661,095	(181,525)	-	-
Net movement in funds before other recognised gains/(losses)		(380,146)	(1,199,276)	3,048,700	1,469,278	(867,552)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(1,346,000)	-	(1,346,000)	(1,677,000)
Net movement in funds		(380,146)	(2,545,276)	3,048,700	123,278	(2,544,552)
Reconciliation of funds:						
Total funds brought forward	18	1,025,463	(7,594,000)	23,396,661	16,828,124	19,372,676
Total funds carried forward	18	645,317	(10,139,276)	26,445,361	16,951,402	16,828,124

The Statement of Financial Activities includes all gains and losses recognised in the period.
The notes on pages 37 to 71 form part of these financial statements.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10390487

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	25,601,258	23,355,632
Current assets			
Debtors	15	1,478,774	841,017
Cash at bank and in hand		1,400,281	1,201,280
		<u>2,879,055</u>	<u>2,042,297</u>
Creditors: amounts falling due within one year	16	(1,089,470)	(813,450)
Net current assets		<u>1,789,585</u>	<u>1,228,847</u>
Total assets less current liabilities		<u>27,390,843</u>	<u>24,584,479</u>
Creditors: amounts falling due after more than one year	17	(300,165)	(162,355)
Net assets excluding pension liability		<u>27,090,678</u>	<u>24,422,124</u>
Defined benefit pension scheme liability	26	(10,139,276)	(7,594,000)
Total net assets		<u><u>16,951,402</u></u>	<u><u>16,828,124</u></u>

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10390487

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	26,445,361	23,396,661
Pension reserve	18	(10,139,276)	(7,594,000)
Total restricted funds		16,306,085	15,802,661
Unrestricted income funds	18	645,317	1,025,463
Total funds		16,951,402	16,828,124

The financial statements on pages 33 to 71 were approved by the Trustees, and authorised for issue on 5 January 2021 and are signed on their behalf, by:



Hugh Richards
Chair of Trustees

The notes on pages 37 to 71 form part of these financial statements.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	20	(174,089)	(755,920)
Cash flows from investing activities	22	179,235	22,995
Cash flows from financing activities	21	193,855	-
		<hr/>	<hr/>
Change in cash and cash equivalents in the period		199,001	(732,925)
Cash and cash equivalents at the beginning of the period		1,201,280	1,934,205
Cash and cash equivalents at the end of the period	23, 24	1,400,281	1,201,280
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 37 to 71 form part of these financial statements

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Trustees 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 Trustees 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, which takes into account the impacts of the Coronavirus pandemic (COVID-19) on the Trust, and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Sponsorship income**

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

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

- **Transfer on conversion**

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

1.4 Expenditure

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust 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 Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £5,000 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 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 Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Leasehold land and buildings	- 0%-2% (straight line)
Furniture and equipment	- 20% (straight line)
Computer equipment	- 20% (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 Statement of financial activities.

1.6 Interest receivable

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

1.7 Operating leases

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

1.8 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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.

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 Academy Trust 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 Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Academy Trust 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 Academy Trust 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 Academy Trust 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 Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund accounting

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

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.

Investment income, gains and losses are allocated to the appropriate fund.

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For valuation of the land and buildings in relation to converted academies, where an academy trust occupies premises on a long lease, in order to determine the appropriate fair value for the asset on acquisition an estimate is made using insurance values and other Local Authority school values on a £/sqm basis together with other factors such as condition of the building. The trust believes this method provides a reasonable and reliable estimate of the current value.

Critical areas of judgment:

There are no critical judgements which have a material impact on the financial statements.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	96,156	-	-	96,156
Funds on conversion	701	(538,846)	2,718,301	2,180,156
Capital Grants	-	-	1,043,811	1,043,811
	<u>96,857</u>	<u>(538,846)</u>	<u>3,762,112</u>	<u>3,320,123</u>

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	59,036	344	-	59,380
Capital funds on conversion	-	-	33,097	33,097
Capital grants	-	-	229,104	229,104
	<u>59,036</u>	<u>344</u>	<u>262,201</u>	<u>321,581</u>

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant	-	9,793,551	9,793,551
Other DfE/ESFA Grant	-	1,768,156	1,768,156
	-	11,561,707	11,561,707
Other Government grants			
Local Authority Grants	-	573,092	573,092
	-	573,092	573,092
Other income			
Non Government Income	-	23,688	23,688
Catering Income	10,463	-	10,463
Parental Contributions	1,543	-	1,543
Insurance claims	-	79,724	79,724
Income from clubs	88,565	-	88,565
Educational visits income	120,275	-	120,275
Consultancy income	9,281	-	9,281
Other income	114,277	-	114,277
	344,404	103,412	447,816
Exceptional government funding			
Coronavirus exceptional support	-	44,423	44,423
	-	44,423	44,423
	344,404	12,282,634	12,627,038

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations (continued)

The Academy Trust has been eligible to claim additional funding in the year from Government support scheme in response to the Coronavirus outbreak (COVID-19). The funding received is shown above under Exceptional Government Funding.

The funding received for Coronavirus exceptional support covers £44,423 of costs the Academy Trust bore up to July 2020 as a result of the virus. This predominantly related to the provision of online learning and enhanced hygiene solution costs in line with Government guidance for opening and operation of schools during the pandemic.

During the year no staff were furloughed under the Governments Coronavirus Job Retention Scheme (CJRS).

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant	-	8,894,367	8,894,367
Start Up Grant	-	75,000	75,000
Other DfE/ESFA Grant	-	1,232,184	1,232,184
	<u>-</u>	<u>10,201,551</u>	<u>10,201,551</u>
Other Government grants			
Local Authority Grants	-	595,888	595,888
	<u>-</u>	<u>595,888</u>	<u>595,888</u>
Other income			
Catering Income	38,424	-	38,424
Parental Contributions	84,153	-	84,153
Insurance claims	-	27,114	27,114
Income from clubs	45,717	-	45,717
Educational visits income	159,638	-	159,638
Consultancy income	34,221	-	34,221
Other income	133,131	-	133,131
	<u>495,284</u>	<u>27,114</u>	<u>522,398</u>
	<u>495,284</u>	<u>10,824,553</u>	<u>11,319,837</u>

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	8,493	8,493
Preschool income	95,689	95,689
	104,182	104,182
	104,182	104,182

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings income	19,978	19,978
Preschool income	50,431	50,431
	70,409	70,409
	70,409	70,409

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Interest income	1,493	1,493
	1,493	1,493

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest income	1,034	1,034
	1,034	1,034

THE DIOCESE OF WORCESTER MULTI ACADEMY TRUST
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Funding for educational operations:				
Direct costs	9,158,629	531,887	894,006	10,584,522
Allocated support costs	1,918,240	859,514	776,444	3,554,198
Other incoming resources:				
Allocated support costs	63,864	-	380,974	444,838
	<u>11,140,733</u>	<u>1,391,401</u>	<u>2,051,424</u>	<u>14,583,558</u>

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Funding for educational operations:				
Direct costs	7,704,274	485,545	920,483	9,110,302
Allocated support costs	1,776,754	700,398	591,458	3,068,610
Other incoming resources:				
Allocated support costs	71,150	-	330,350	401,500
	<u>9,552,178</u>	<u>1,185,943</u>	<u>1,842,291</u>	<u>12,580,412</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Funding for educational operations	10,584,522	3,554,198	14,138,720
Other incoming resources	-	444,838	444,838
	<u>10,584,522</u>	<u>3,999,036</u>	<u>14,583,558</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations	9,110,302	3,068,610	12,178,912
Other incoming resources	-	401,500	401,500
	<u>9,110,302</u>	<u>3,470,110</u>	<u>12,580,412</u>

Analysis of support costs

	Funding for educational operations 2020 £	Other incoming resources 2020 £	Total funds 2020 £
Staff costs	1,918,240	63,864	1,982,104
Technology costs	130,184	-	130,184
Recruitment and support	1,861	-	1,861
Maintenance of premises and equipment	859,514	-	859,514
Catering	-	380,974	380,974
Other support costs	558,349	-	558,349
Governance costs	68,174	-	68,174
Legal costs	17,876	-	17,876
	<u>3,554,198</u>	<u>444,838</u>	<u>3,999,036</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding for educational operations 2019 £</i>	<i>Other incoming resources 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	1,776,754	71,150	1,847,904
Technology costs	62,598	-	62,598
Recruitment and support	4,901	-	4,901
Maintenance of premises and equipment	700,398	-	700,398
Catering	-	325,295	325,295
Other support costs	402,589	5,055	407,644
Governance costs	77,886	-	77,886
Legal costs	43,484	-	43,484
	<u>3,068,610</u>	<u>401,500</u>	<u>3,470,110</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charitable company's activities. These costs will include any employee benefits for governorship, the cost of charity employees involved in meetings with Trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

9. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	2020 £	2019 £
Operating lease rentals	52,117	52,117
Depreciation of tangible fixed assets	545,478	485,545
Fees paid to auditors for:		
- audit	18,600	16,500
- other services	8,300	4,500
	<u>594,500</u>	<u>548,667</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the period were as follows:

	2020	2019
	£	£
Wages and salaries	7,856,644	7,050,045
Social security costs	678,035	571,017
Pension costs	2,422,719	1,746,939
	10,957,398	9,368,001
Agency staff costs	165,130	170,189
Staff restructuring costs	18,205	13,987
	11,140,733	9,552,177

Staff restructuring costs comprise:

Severance payments	18,205	13,987
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b. Non-statutory/non-contractual staff severance payments

Included in severance and redundancy payments were no (2019: 3) non-statutory/ non-contractual severance payments totalling £18,206 (2019: £13,987). The individual payments were £3,291, 13,464 and £1,450 in 2019.

c. Staff numbers

The average number of persons employed by the Academy Trust during the period was as follows:

	2020	2019
	No.	No.
Teachers	125	111
Administration and support	327	237
School management	27	25
Trust management	3	2
	482	375

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10. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>4</i>
In the band £70,001 - £80,000	2	<i>2</i>
In the band £80,001 - £90,000	1	<i>1</i>
	=====	<i>=====</i>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees 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 £213,705 (2019: £188,869).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

11. Central services

The Academy Trust has provided the following central services to its academies during the period:

- Management services
- Legal services
- Education support services
- Maintenance and admin support supports
- Finance and accounts support

The Academy Trust charges for these services on the following basis:

Flat percentage of GAG income (5%).

Any surplus generated is held as contingency reserve for use in future periods.

The actual amounts charged during the period were as follows:

	2020	2019
	£	£
The Littletons Church of England Academy	25,656	25,885
Offenham Church of England Academy	22,853	22,356
Crowle CofE First School	16,275	16,017
St. Barnabas CofE First and Middle School	58,970	65,762
Malvern Parish CofE Primary School	39,276	38,216
St. Nicholas CofE Middle School	60,170	55,924
Pinvin CofE First School	25,272	26,361
Madresfield CofE Primary School	23,659	23,115
Netherton CofE Primary School	80,612	74,899
St. Oswald's Primary School	39,710	39,759
Castlemorton CofE Primary School	18,251	19,436
Powick CofE Primary School	35,887	36,988
Broadheath CofE Primary School	22,218	-
Martly CofE Primary School	20,635	-
Total	489,444	444,718

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£	£
Claire Davies, Chief Executive	Remuneration	80,000 -	<i>80,000 -</i>
		85,000	<i>85,000</i>
	Pension contributions paid	10,000 -	<i>10,000 -</i>
		15,000	<i>15,000</i>

During the period ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £1,798*).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	24,349,726	-	6,070	12,995	24,368,791
Additions	58,386	813	13	-	59,212
Acquired on conversion	2,718,301	-	-	-	2,718,301
At 31 August 2020	<u>27,126,413</u>	<u>813</u>	<u>6,083</u>	<u>12,995</u>	<u>27,146,304</u>
Depreciation					
At 1 September 2019	1,007,001	-	2,909	3,249	1,013,159
Charge for the period	527,770	-	1,518	2,599	531,887
At 31 August 2020	<u>1,534,771</u>	<u>-</u>	<u>4,427</u>	<u>5,848</u>	<u>1,545,046</u>
Net book value					
At 31 August 2020	<u>25,591,642</u>	<u>813</u>	<u>1,656</u>	<u>7,147</u>	<u>25,601,258</u>
At 31 August 2019	<u>23,342,725</u>	<u>-</u>	<u>3,161</u>	<u>9,746</u>	<u>23,355,632</u>

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	5,248	42,297
Other debtors	31,413	461,997
Prepayments and accrued income	1,442,113	336,723
	<u>1,478,774</u>	<u>841,017</u>

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	6,494	6,765
Trade creditors	344,610	226,054
Other taxation and social security	166,078	146,924
Other creditors	300,732	234,269
Accruals and deferred income	271,556	199,438
	1,089,470	813,450
	1,089,470	813,450
	2020 £	2019 £
Deferred income at 1 September 2019	110,000	133,628
Resources deferred during the period	152,502	110,000
Amounts released from previous periods	(110,000)	(133,628)
	152,502	110,000
	152,502	110,000

At the balance sheet date the Academy Trust is holding amounts received in advance for Universal Infant Free School Meals (UIFSM).

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	300,165	162,355
	300,165	162,355
	300,165	162,355

Included within other loans falling due within one year of £6,494 (2019: £6,765) and other loans falling due after one year of £155,861 (2019: 162,355) are amounts entered into prior to conversion by Netherton CofE Primary School. The school entered into a loan arrangement with Dudley Metropolitan Borough Council. The school is making capital repayments of 4% of the annual balance outstanding and interest is charged at 2.5% per annum.

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

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,025,463	546,936	(447,512)	(479,570)	-	645,317
Restricted general funds						
General Annual Grant (GAG)	-	9,793,551	(10,454,646)	661,095	-	-
Other DfE/ESFA grants	-	1,768,156	(1,768,156)	-	-	-
Local Authority grants	-	573,092	(573,092)	-	-	-
Other funding	-	340,989	(340,989)	-	-	-
Pension reserve	(7,594,000)	(732,000)	(467,276)	-	(1,346,000)	(10,139,276)
	<u>(7,594,000)</u>	<u>11,743,788</u>	<u>(13,604,159)</u>	<u>661,095</u>	<u>(1,346,000)</u>	<u>(10,139,276)</u>
Restricted fixed asset funds						
Fixed assets	23,355,632	2,718,301	(531,887)	59,212	-	25,601,258
DfE/ESFA capital grants	41,029	1,043,811	-	(240,737)	-	844,103
	<u>23,396,661</u>	<u>3,762,112</u>	<u>(531,887)</u>	<u>(181,525)</u>	<u>-</u>	<u>26,445,361</u>
Total Restricted funds	<u>15,802,661</u>	<u>15,505,900</u>	<u>(14,136,046)</u>	<u>479,570</u>	<u>(1,346,000)</u>	<u>16,306,085</u>
Total funds	<u><u>16,828,124</u></u>	<u><u>16,052,836</u></u>	<u><u>(14,583,558)</u></u>	<u><u>-</u></u>	<u><u>(1,346,000)</u></u>	<u><u>16,951,402</u></u>

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

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

- 1) General Annual Grant (GAG): this must be used for normal running costs of the Academy Trust.
- 2) Other DfE/ESFA Grants: this fund relates to other grants received which must be used for the purpose intended.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

18. Statement of funds (continued)

3) Other funding: this fund relates to all other restricted funds received which must be used for the purpose intended.

4) Pension reserve: this represents the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets, which was inherited on conversion.

5) Capital grants and DfE/ESFA capital grants - this fund relates to resources which must be applied for specific capital purposes intended.

6) Transfers between funds: this relates to amounts expended on fixed assets from DfE/ESFA grants from revenue funding. The excess of restricted fixed asset funds over the total net book value of fixed assets represents capital monies not yet spent.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Crowle CofE First School	(9,557)	740
St. Barnabas CofE First and Middle School	104,644	174,667
Offenham Church of England Academy	67,650	90,146
The Littletons Church of England Academy	144,443	141,812
St. Nicholas CofE Middle School	(27,679)	115,703
Malvern Parish CofE Primary School	12,799	(4,573)
Madresfield CofE Primary School	43,939	42,910
Pinvin CofE First School	45	104,341
Netherton CofE Primary School	(38,630)	(27,680)
St. Oswald's Primary School	79,091	116,847
Castlemorton CofE Primary School	32,956	45,027
Powick CofE Primary School	20,213	38,283
Trust	(52,235)	187,240
Broadheath CofE Primary School	150,817	-
Martley CofE Primary School	116,821	-
Total before fixed asset funds and pension reserve	645,317	1,025,463
Restricted fixed asset fund	26,445,361	23,396,661
Pension reserve	(10,139,276)	(7,594,000)
Total	16,951,402	16,828,124

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18. Statement of funds (continued)

	Deficit £
Trust	(52,235)
Crowle CofE First School	(9,557)
Netherton CofE Primary School	(38,630)
St Nicholas CofE Middle School	(27,679)

The DoWMAT has structured a new policy with dealing with deficit schools and identifying those schools at an early stage by expressing them as a school of concern. This is a formalised process which starts a journey with the identified schools ensuring that the school works with the DoWMAT central team in achieving a financial plan that recovers the school from a deficit position over an agreed period of time.

The DoWMAT central team monitors school budgets to its approved budget plan to ensure that this is achievable and can raise the school as a going concern if the school looks like it may not achieve its approved outturn for the financial year. The DoWMAT central team works with the schools individually to achieve a realistic recovery plan which may involve things such as staffing restructures, cost reductions in areas such as supplies and services and how the school can maximise income focusing on areas such as pupil numbers now and moving forward.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Crowle CofE First School	284,930	48,093	24,353	58,921	416,297
St. Barnabas CofE First and Middle School	1,069,966	183,203	29,254	298,995	1,581,418
Offenham Church of England Academy	376,632	79,498	17,661	116,415	590,206
The Littletons Church of England Academy	519,065	71,188	25,418	89,780	705,451
St. Nicholas CofE Middle School	1,063,903	187,241	14,969	330,729	1,596,842
Malvern Parish CofE Primary School	653,013	93,074	35,449	158,979	940,515
Madresfield CofE Primary School	402,432	68,281	19,801	96,140	586,654
Pinvin CofE First School	511,353	52,097	5,430	94,483	663,363
Netherton CofE Primary School	1,541,336	251,159	23,278	331,330	2,147,103
St. Oswald's Primary School	816,506	138,758	35,806	240,114	1,231,184
Castlemorton CofE Primary School	339,879	88,954	8,878	88,621	526,332
Powick CofE Primary School	599,608	92,974	24,902	162,851	880,335
Trust	200,420	457,094	-	443,379	1,100,893
Boradheath CofE Primary School	454,191	58,197	15,228	62,224	589,840
Martley CofE Primary	325,395	48,429	11,189	110,225	495,238
Academy Trust	9,158,629	1,918,240	291,616	2,683,186	14,051,671

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2019</i> £
Crowle CofE First School	261,574	45,352	7,678	101,189	415,793
St Barnabas CofE First and Middle School	1,149,254	97,580	32,082	380,486	1,659,402
Offenham Church of England Academy	336,672	50,611	10,060	156,053	553,396
The Littletons Church of England Academy	413,183	134,865	13,770	133,505	695,323
St. Nicholas CofE Middle School	937,341	157,935	21,194	330,888	1,447,358
Malvern Parish CofE Primary School	651,137	84,379	20,993	166,221	922,730
Madresfield CofE Primary School	387,075	33,587	11,808	123,626	556,096
Pinvin CofE First School	469,889	67,421	5,200	135,561	678,071
Netherton CofE Primary School	1,350,624	215,048	62,602	234,710	1,862,984
St. Oswald's Primary School	751,933	123,187	22,489	256,370	1,153,979
Castlemorton CofE Primary School	282,443	110,926	15,187	95,524	504,080
Powick CofE Primary School	525,011	120,105	14,541	190,932	850,589
Trust	188,138	606,908	20	-	795,066
Academy Trust	7,704,274	1,847,904	237,624	2,305,065	12,094,867

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	898,136	625,762	(398,854)	(99,581)	-	1,025,463
Restricted general funds						
General Annual Grant (GAG)	13,904	8,894,367	(9,307,483)	399,212	-	-
Start up grant	-	75,000	(75,000)	-	-	-
Other DfE/ESFA grants	-	1,232,184	(1,232,184)	-	-	-
Local Authority grants	-	595,888	(595,888)	-	-	-
Other funding	-	27,114	(27,114)	-	-	-
Donations	-	344	(344)	-	-	-
Pension reserve	(5,459,000)	-	(458,000)	-	(1,677,000)	(7,594,000)
	<u>(5,445,096)</u>	<u>10,824,897</u>	<u>(11,696,013)</u>	<u>399,212</u>	<u>(1,677,000)</u>	<u>(7,594,000)</u>
Restricted fixed asset funds						
Fixed assets	23,642,251	-	-	-	-	23,642,251
DfE/ESFA capital grants	277,385	262,201	(485,545)	(299,631)	-	(245,590)
	<u>23,919,636</u>	<u>262,201</u>	<u>(485,545)</u>	<u>(299,631)</u>	<u>-</u>	<u>23,396,661</u>
Total Restricted funds	<u>18,474,540</u>	<u>11,087,098</u>	<u>(12,181,558)</u>	<u>99,581</u>	<u>(1,677,000)</u>	<u>15,802,661</u>
Total funds	<u><u>19,372,676</u></u>	<u><u>11,712,860</u></u>	<u><u>(12,580,412)</u></u>	<u><u>-</u></u>	<u><u>(1,677,000)</u></u>	<u><u>16,828,124</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,601,258	25,601,258
Current assets	711,774	1,323,178	844,103	2,879,055
Creditors due within one year	(66,457)	(1,023,013)	-	(1,089,470)
Creditors due in more than one year	-	(300,165)	-	(300,165)
Provisions for liabilities and charges	-	(10,139,276)	-	(10,139,276)
Total	645,317	(10,139,276)	26,445,361	16,951,402

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	23,355,632	23,355,632
Current assets	1,025,463	975,805	41,029	2,042,297
Creditors due within one year	-	(813,450)	-	(813,450)
Creditors due in more than one year	-	(162,355)	-	(162,355)
Provisions for liabilities and charges	-	(7,594,000)	-	(7,594,000)
Total	1,025,463	(7,594,000)	23,396,661	16,828,124

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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of financial activities)	1,469,278	(867,552)
Adjustments for:		
Depreciation	531,887	485,545
Capital grants from DfE and other capital income	(1,043,811)	(262,201)
Interest income	(1,439)	(1,034)
Defined benefit pension scheme obligation inherited	732,000	-
Defined benefit pension scheme cost less contributions payable	142,000	309,000
Defined benefit pension scheme finance cost	325,276	149,000
Surplus received on LA funds	(193,855)	-
Decrease/(increase) in debtors	169,046	(278,884)
Increase/(decrease) in creditors	413,830	(289,794)
Donated fixed assets	(2,718,301)	-
Net cash used in operating activities	(174,089)	(755,920)

21. Cash flows from financing activities

	2020 £	2019 £
Surplus received on LA funds	193,855	-
Net cash provided by financing activities	193,855	-

22. Cash flows from investing activities

	2020 £	2019 £
Bank interest	1,439	1,034
Purchase of tangible fixed assets	(59,212)	(262,255)
Capital grants from DfE Group	237,008	284,216
Net cash provided by investing activities	179,235	22,995

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23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	<u>1,400,281</u>	<u>1,201,280</u>

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Transfer on conversion £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	1,201,280	5,137	193,864	-	1,400,281
Debt due within 1 year	(6,765)	6,765	-	(6,494)	(6,494)
Debt due after 1 year	(162,355)	(144,304)	-	6,494	(300,165)
	<u>1,032,160</u>	<u>(132,402)</u>	<u>193,864</u>	<u>-</u>	<u>1,093,622</u>

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25. Conversion to an academy trust

On 1 December 2019 Broadheath CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Worcester Multi Academy Trust from Worcestershire County Council for £NIL consideration.

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

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	1,232,386	1,232,386
Cash - representing budget surplus on LA funds	111,010	-	111,010
LGPS pension deficit	(366,000)	-	(366,000)
Net (liabilities)/assets	(254,990)	1,232,386	977,396

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25. Conversion to an academy trust (continued)

On 1 December 2019 Martley CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Diocese of Worcester Multi Academy Trust from Worcestershire County Council for £NIL consideration.

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

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

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	1,485,915	1,485,915
Cash - representing budget surplus on LA funds	82,144	-	82,144
LGPS pension deficit	(366,000)	-	(366,000)
Net (liabilities)/assets	<u>(283,856)</u>	<u>1,485,915</u>	<u>1,202,059</u>

26. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council Pension Fund. 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 £42,543 were payable to the schemes at 31 August 2020 (2019 - £141,271) 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.

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26. Pension commitments (continued)

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 period amounted to £1,194,690 (2019 - £746,247).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £1,089,000 (2019 - £720,000), of which employer's contributions totalled £940,000 (2019 - £588,000) and employees' contributions totalled £ 149,000 (2019 - £103,000). The agreed contribution rates for future years are 19.10% per cent for employers and per cent for employees.

As described in note 25 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 period. 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.

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26. Pension commitments (continued)

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	3.58%	3.65%
Rate of increase for pensions in payment/inflation	2.38%	2.20%
Discount rate for scheme liabilities	1.70%	1.85%
Inflation assumption (CPI)	2.33%	2.15%

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	22.25	21.9
Females	24.55	24.5
<i>Retiring in 20 years</i>		
Males	24.00	23.9
Females	26.50	24.0

Sensitivity analysis

	2020	<i>2019</i>
	£000	£000
Discount rate +0.1%	10,589,000	7,374,000
Discount rate -0.1%	11,202,000	7,814,000
Mortality assumption - 1 year increase	11,133,000	7,807,000
Mortality assumption - 1 year decrease	10,663,000	7,214,000
CPI rate +0.1%	11,144,000	7,765,000
CPI rate -0.1%	10,601,000	7,423,000

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26. Pension commitments (continued)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	2,738,000	1,652,000
Gilts	326,000	197,000
Corporate bonds	214,000	113,000
Property	252,000	162,000
Cash and other liquid assets	203,000	76,000
Other	558,000	237,000
Total market value of assets	4,291,000	2,437,000

The actual return on scheme assets was £165,000 (2019 - £98,000).

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

	2020 £	2019 £
Current service cost	1,064,000	746,000
Past service cost	18,000	151,000
Administration expense	9,000	7,000
Net interest on the defined liability	203,000	142,000
Total amount recognised in the Statement of Financial Activities	1,294,000	1,046,000

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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	10,031,000	7,071,000
Conversion of academy trusts	1,382,000	-
Current service cost	1,064,000	746,000
Interest cost	203,000	197,000
Employee contributions	149,000	132,000
Actuarial losses	1,556,000	1,720,000
Benefits paid	(148,000)	14,000
Past service costs	18,000	151,000
	<u>14,255,000</u>	<u>10,031,000</u>

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

	2020 £	2019 £
At 1 September	2,437,000	1,612,000
Conversion of academy trusts	650,000	-
Interest income	62,000	55,000
Actuarial gains	210,000	43,000
Employer contributions	940,000	588,000
Employee contributions	149,000	132,000
Benefits paid	(148,000)	14,000
Administration expenses	(9,000)	(7,000)
Prepaid contributions	(175,276)	-
	<u>4,115,724</u>	<u>2,437,000</u>

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27. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	43,046	52,117
Later than 1 year and not later than 5 years	14,895	86,062
Later than 5 years	-	2,193
	<u>57,941</u>	<u>140,372</u>

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees 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.

With the exception of St Barnabas, all academies within trust have leasehold land held by The Worcester Diocesan Board of Finance Limited. The Worcester Diocesan Board of Finance Limited have granted the Academies, via a supplemental agreement, the open-ended right to use the land for educational purposes. However, The Worcester Diocesan Board of Finance Limited may give not less than two years written notice to the Company and the Secretary of State to terminate this supplemental agreement.

The Academy Trust has purchased services totalling £8,858 (2019: £NIL) from the Diocese of Worcester. At 31 August 2019 amounts due from and to The Diocese of Worcester totalled £NIL (2019: £NIL).

30. Post balance sheet events

From 1 November 2020 the trustees have agreed to expand the Trust by welcoming Callow End CofE Primary School into the Trust.