

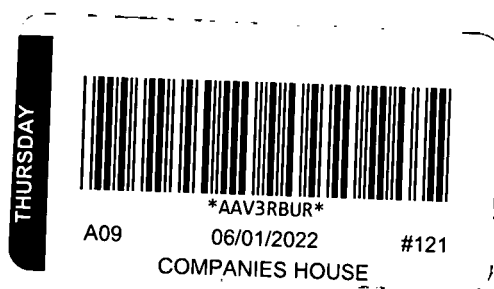
Company Registration No. 07726568 (England and Wales)

BELIEVE ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021



BELIEVE ACADEMY TRUST

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BELIEVE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Milner
Rev R Shaw
H Robinson
M Saunders (Resigned 31 May 2021)

Trustees

R Lambert (Staff)
H Robinson (Chair)
A Hurt (Resigned 15 July 2021)
A Rogers
K Sheppard
A Shaw
L Sharkey (Resigned 7 October 2021)
J Freeman
A W J Paulson

Senior management team

- Chief Executive Officer and Accounting Officer	G Boyd
- Teaching and Learning Director	M Thompson
- Facilities and Operations Director	R Lambert
- Head of HR	J Clifton
- Head of Finance	J Knight
- Headteacher - Southwark	B Skirton
- Headteacher - Arnbrook	P Fowlie
- Headteacher - Derwent	E Burke (appointed 1 September 2020)
- Headteacher - Abbey	K Wakefield

Company registration number

07726568 (England and Wales)

Registered office

Park Lane
Old Basford
Nottingham
NG6 0DT

Academies operated

Southwark Primary School
Arnbrook Primary School
Derwent Primary School

Location

Basford
Arnold
Chaddesden

Headteacher

B Skirton
P Fowlie
E Burke (appointed 1 September 2020)
N/A
K Wakefield

Believe Academy Trust
Abbey Primary School

Basford
Mansfield

BELIEVE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers

Lloyds Bank
12-16 Lower Parliament Street
Nottingham
NG1 3DA

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust's principal objective and activity has been to manage the provision of education to primary school pupils in Nottinghamshire and in Derby City. The academy trust operates four primary academies in across Nottinghamshire and in Derby City. Its academies have a combined pupil capacity of 1,893 and had a roll of 1,647 in the school census on 5 May 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Believe Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Believe Academy Trust.

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.

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.

Trustees' indemnities

The Academy Trust maintains liability insurance which gives appropriate cover for any legal action brought against its officers. The Academy Trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as Board members or officers of the Academy Trust.

Method of recruitment and appointment or election of trustees

The total number of Trustees, including the Chief Executive Officer, who are employees of the Trust shall not exceed one third of the total number of Trustees. Future Trustees shall be appointed or elected, as the case may be, under the Articles of Association. The Members shall appoint up to 6 Trustees.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting or an Annual General Meeting.

A Trustee shall cease to hold office if he/she resigns their office by notice to the Academy Trust (but only if at least three Trustees will remain in office when the notice of resignation is to take effect). A Trustee may also cease to hold office if they are removed by the person or persons who appointed or elected them, or otherwise by ordinary resolution of the Members in accordance with the Companies Act 2006.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

All Trustees are recruited with transferrable skills that will benefit the Trust and support and challenge the senior executive. All new Trustees complete an induction program, are provided access with previous minutes and face to face inductions with the Accounting Officer, plus provided with copies of policies/documents/access to secure portal that they will need to undertake their role as Trustees. No new Trustee have been appointed this year.

The annual strategic planning day for Trustees was held on the 8th October 2020 to review and update the strategic plan, to review the ethos and vision for the Trust, and to ensure the resource plans are enablers for the plan.

Organisational structure

The organisational structure at a Trust level consist of the Trustees (the Board) and the Trust Executive Team. Specialists within the Trust support in key areas. The Academies, which form part of the Trust, have a Local Governing Body or Academy Council (dependent on the Academy's Ofsted judgement), a Headteacher and a Senior Leadership Team for each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting the Trust's vision, strategy, direction and culture, setting organisational policies, adopting an annual plan and budget, monitoring the Trust using budgets and making major strategic decisions about the direction of the Trust, capital expenditure, senior staff appointments and performance management of the CEO.

The CEO serves as the Accounting Officer and is supported by an appropriately trained Chief Financial Officer. The Trust's Executive Team are responsible for implementation of strategy and delivery against the annual plan and budget. They make recommendations to the Board on the operational, procedural and educational activities that operate across the Trust. The Executive Team provide central services for the academies, which include: school improvement, human resources, finance, operations and premises management. The Executive Team ensure all schools in the Trust are delivering improving school standards at a rate agreed by the Trust Board.

The Academy's Local Governing Body and Senior Leadership Teams are delegated authorities to govern/manage each academy, implementing the policies adopted by Trust and at local level. As a group the Leadership teams are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and for appointments of staff to a certain level. Trust Schemes of Delegation define required representation from the Trust and Governance for senior appointments, such as the Headteacher. The Academy Senior Leadership Teams are accountable for the day-to-day operation of the Academy, such as organising teaching staff, facilities, children and safeguarding processes.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The Remuneration Policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board, after taking advice from external consultants (EPM) and following guidance from the relevant professional pay review bodies.

The Trust has a recognised pay model whereby all senior leaders are paid from the same pay matrix. This ensures consistency and fairness across the Trust in line with the Equalities Act 2010. This is approved by the Board on an annual basis.

Only staff Trustees, including the Facilities and Operations Director (R Lambert), are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, not in respect of their role as Trustees. Staff Trustees carry no vote and do not partake in sections of meetings linked to matters of their own remuneration.

Remuneration of key management personnel is set at an individual level, and where possible the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to national pay spines, helping Directors conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

Trade union facility time

During the period ended 31 August 2021 the Trust had no official trade union representatives.

Related parties and other connected charities and organisations

There have been no financial transactions with related parties in this accounting period.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")
- to promote for the benefit of the inhabitants of the areas where the Academies are established and its surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

In accordance with the articles of association, the charitable company has entered into a relevant funding agreement with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

Trust Vision

In association with 'The Objects', Believe Academy Trust is a Multi Academy Trust with the objective of raising educational achievement for children by providing a first class education that will inspire, motivate, challenge and unlock potential. We expect our academies to achieve more by recognising and harnessing the power of individuals whilst also working as a collective.

Believe values are the qualities, customs, standards, and principles that we believe will help both the children and our employees succeed. These are the values that govern our conduct:

- Academies with their own identity – Be more individual
- Belief and confidence in our academies to excel – Be more confident
- Only the best for our children – Be more determined
- Outstanding partnership providers – Be more successful

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

During the majority of 2020/21, the principal activity of the charitable company was the operation of 3 primary academies across three local authorities: Nottingham City, Nottinghamshire and Derby City. On 1st May 2021 the Trust successfully integrated a new school, taking the Trust total to 4 schools.

Trustees believe the sustainability of Believe Trust has been further enhanced by the growth to 4 schools. The new school has a 'Good' Ofsted rating. Trustees are satisfied that despite impacts of the pandemic, internal and external validation is showing Trust schools remain focussed on the quality of educational provision.

The Trust's Strategic plan describes the overarching objectives for the year ended 31 August 2021. This document, linked to area specific action plans, is the main vehicle for improvement across the Trust. Five key strategic business objectives, each with their own targets, key actions and performance measures were identified in order to steer growth and development throughout this period. These are:

- Increase quality of provision within all our academies to provide the highest quality education, enabling all pupils to realise their full potential.
- Lead the organisation in a responsible but effective way, embracing a combination of autonomy, collaboration and challenge across key areas of leadership and management.
- Ensure a financially viable and sustainable Trust, providing value for money for the funds expended.
- Become a sector leader regarding provision for employees.
- Improve the way premises are used to protect people, the environment and support sustainable growth.

It remains a core principle that Believe Academy Trust's children remain central to all Trust endeavours and improvements in outcomes overtime have, in some instances, been significant. Trustees are satisfied that external validation, coupled with performance against defined measures, is showing that Trust schools are moving forwards, and that additional Trust school improvement capacity is being generated within these improving schools. These improvements, alongside other developments in areas such as developing wider curriculums and delivering specialist career professional development programmes, are helping to ensure a sustainable future for all Trust schools.

No schools within the Trust received an Ofsted inspection.

Events linked to the Coronavirus pandemic represented some disruption to the education of children across the Trust and some of the operational activities to be performed. Trustees implemented systems of control which complied with government guidance and assessed risks which were to be mitigated and/or avoided where possible.

Despite this, school improvement activities were still delivered but the mechanisms in which they were performed varied to take into account safety measures implemented. Whilst schools remained focussed on education considerable efforts were also placed on supporting pupil/staff wellbeing, rigorous safeguarding approaches and also promoting community cohesion.

The Trustees recognise that equal opportunities for staff should be an integral part of good practice within the workplace. The Multi Academy Trust aims to promote equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. The policy of Believe Trust continues to support all pupils and staff so that no one is disadvantaged as a result of any protected characteristics identified under the Equalities Act 2010.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Public benefit

The Trustees confirm that they have complied with the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objective they have set.

Believe Trust is a Trust offering education to children aged 3 to 11 and strives to promote and support the advancement of education within a local context. The schools provide an extensive programme of educational and recreational activity all designed to contribute to the overall education of its children.

For example:

- Hosting community events
- Running workshops for families
- Hold regular charity events to raise funds

Wherever possible the Academies also aim to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities.

For example:

- Hire of sports pitches
- Local Election Polling Station
- Parent clinics

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

Strategic report

Achievements and performance

The Trust provides the education for approximately 1647 pupils across Nottingham and Derby fulfilling its main charitable activity of the delivery of a high quality education to all pupils in its care.

The Trust is centred on schools working in collaboration to ensure sustainable school improvement. The growth model is centred on capacity, ensuring that the trust has the internal capacity, to effect positive change in supporting schools.

The Trust has grown over the last twelve months to increase from 3 to 4 academies. The following academy joined the Trust during the 2020/21 academic year:

- Abbey Primary School (joined 1st May 2021)

The quality of education provided by the Trust has improved but has not been validated by 2021 statutory assessments due to the cancellation of these as a result of Covid-19. Therefore, the analysis of attainment and progress outcomes against national comparators, which are typically reported, are not available this year. No Ofsted inspections have taken place also.

Despite the ongoing challenges faced throughout the year all schools remained open and coupled this with providing quality home learning for those who remained at home. The Trustees would like to acknowledge the commitment, talent, hard work, dedication and resilience of all the Trust's staff during this period.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

A summary analysis of key financial performance indicators are listed below:

INDICATOR	TARGET	ACTUAL
Salary expenditure as a percentage of total expenditure	≤ 80%	80%
Free reserves available in line with finance policy	≥ 8.33%	13.98%
To generate >5% of total income via other means	≥ 5%	2.66%
To achieve a mid-year surplus	Met	Not Met
No red/amber flags on external audit management letter	0 Flags	0 Flags

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and associated expenditure are shown in the restricted funds in the statement of financial activities.

During the year the trust received income of £7,388,529 in government and local authority grants, most of which is in the form of recurrent grants, the use of which has been restricted. All grant and recurrent grant income has been spent on providing quality education to students and purchasing resources and maintaining facilities to support their learning and maximise outcomes.

The trust received a donation on conversion of the Abbey Primary School of £6,656,780 which included property, the deficit on the pension reserve and cash. More analysis is provided in note 25.

In addition, the trust received income of £343,181 from other sources. This includes £84,664 of unrestricted income (excluding donation on conversion) and capital grant income of £135,886. Total income was £14,388,490.

Overall, the trust has generated a surplus of £5,982,991 for the year, before transfers. When depreciation, capital grants, conversions and local government pension scheme adjustments are excluded, the surplus is £55,674 (2020: deficit £34,741).

At 31st August 2021, the value of the restricted income funds were £205,732 (2020: £141,962).

At 31st August 2021, the value of the unrestricted income funds were £864,617 (2020: £448,635).

At 31st August 2021, the net book value of fixed assets was £18,638,231 and movements in tangible fixed assets are shown in note 12 to the financial statements.

The pension reserve held within restricted funds was in deficit by £8,792,000 at 31 August 2021. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The trustees review the reserve levels of the Academy 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 trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that are considered necessary and will have a clear plan for how the reserves will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's revenue expenditure, approximately £630,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

Total reserves at 31 August 2021 were £10,963,012, including fixed asset fund £18,684,663 and the deficit on the pension reserve £8,792,000. The combined balance on restricted general fund (excluding pension reserve) and unrestricted fund was £1,070,349.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

Further information on the Trusts financial performance and reserves can be found in the financial statements.

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation.

In addition, the Trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds. The Trust currently does this through making use of high interest accounts only and the risk is minimal.

Principal risks and uncertainties

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed, and systems and procedures introduced to mitigate those risks. The schedule of risks are tabled (Risk Management Register) and reviewed by the Audit and Risk committee. These are underpinned by a comprehensive suite of policies and processes. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Trust (including the capacity of staff, health and safety, safeguarding and premises to meet the needs of pupils) and its performance in delivering the curriculum and a safe environment for pupils and adults.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control, income and cash management.

BELIEVE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Information – covering risks around loss of data (e.g. data flows), breach of information systems (including IT infrastructure) and compliance with the General Data Protection Regulation.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations and the financial position of the staff pension schemes. Internal Risks include - management of internal finances and assets, fraud, money laundering and facilities management.

Fundraising

The majority of fundraising activities engaged in by the Trust are carried out on behalf of national campaigns (e.g. Red Nose Day) and these funds are always paid onwards. Any local events intended to raise funds for each school are minimal in their scope and all funds are reinvested into curricular resources and activities intended to support the educational objectives of the Trust.

Plans for future periods

The Trust plans for the future are outlined within the Trust Strategy Plan and individual Academy Development Plans. The key objectives are identified below:

- To continue to improve attainment and progress in every year group addressing issues highlighted in pupil data at the end of the previous academic year.
- To maintain high attainment and progress levels where they have been achieved previously
- To continue to raise the standards of teaching and quality of learning experiences received by the pupils.
- To provide high class, value for money services to support the business operations of the Trust.
- To provide safe and secure environments for Trust employees, parents/carers and pupils to exist safely.
- To have all academies in the Trust Good or Outstanding.

Funds held as custodian trustee on behalf of others

The Academy Trust does not currently hold any funds on behalf of others.

Auditor

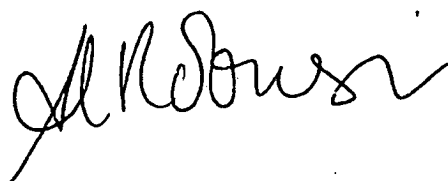
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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 auditor is aware of that information.

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 02 December 2021 and signed on its behalf by:

H Robinson
Chair



BELIEVE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Believe Academy Trust 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Believe Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The Board continues to subject the schools to external scrutiny through external consultants (approved by the Board), Challenge Partners and also through Trust mechanisms such as Partnership Reviews in order to provide a layer of quality assurance regarding the accuracy of information provided.

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, including committee meetings.

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

Trustees	Meetings attended	Out of possible
R Lambert (Staff)	6	6
H Robinson (Chair)	6	6
A Hurt (Resigned 15 July 2021)	6	6
A Rogers	6	6
K Sheppard	6	6
A Shaw	6	6
L Sharkey (Resigned 7 October 2021)	6	6
J Freeman	6	6
A W J Paulson	5	6

There is a risk and audit committee. However, it did not hold separate meetings during the year and its business was dealt with at the main board level.

BELIEVE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Henrietta Robinson was elected to continue as Chair of the Trust Board from 1st September 2020. Anne Hurt was elected as Vice Chair until her resignation in July 2021. No new appointments were made during the year. Overall, the number of Trustees on the board was 9 until the resignation of A. Hurt.

2020/21 continued to be a challenging year for the Board however methods used to maintain effective oversight continued. Digital formats were used to protect the Health and Safety of Trustees, which proved to be highly successful and an efficient way of working.

In addition, the Trustees have been provided with regular financial information such as that they are satisfied that they maintain adequate oversight over the Trust's funds.

Governance review

Trustees conduct a continual review of governance across the Trust, both at Trustee and Local Governing Body level. Trustees have conducted an internal review of Governance structures in association with a comparable Trust, via the establishment of a joint working party group. The Members also review the performance of the Trust Board on an annual basis. The Trust Scheme of Delegation is reviewed annually by Trustees in July, in preparation for the following year.

The Board maintains its approach whereby all new appointments would be recruited on a skills basis, however no new appointments have been made during the period up to 31 August 2021. Following the resignation of A. Hurt the Board's assessment of existing skill sets identifies the need for a new appointment to possess skills and knowledge within Human Resources.

The **Pay, Performance and Personnel** is also a sub-committee of the main board of trustees. The main powers and functions delegated by the Board to this committee broadly consist of:

- Pay – prepare and submit recommendations for associated policies (e.g. appraisal and pay), make performance management arrangements for senior personnel, moderate pay decisions, set salaries for management posts, approve changes to management staffing structures, hear appeals against threshold assessment applications, determine salaries of teaching and support staff.
- Grievances – consider staff grievances and staff complaints of harassment.
- Staff Discipline/Dismissals – ensure procedures and processes have been followed, determination of dismissal from post, provide opportunities for staff to make representations, inform of right to appeal against decision.
- Staff Appeals – consideration of staff appeals against decisions made

Personnel – receive reports and make recommendations to the Board in all matters relating to staff at the Academies (e.g. working environments, NQT induction, appointments).

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R Lambert (Staff)	1	1
H Robinson (Chair)	1	1
A Hurt (Resigned 15 July 2021)	1	1
A Rogers	1	1
A Shaw	1	1
J Freeman	1	1

BELIEVE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Consolidating contracts with energy suppliers – the trust has appointed ESPO to manage the gas and electric provision across three of our four schools to deliver greater purchasing power to negotiate a discounted rate for best value for money;
- Investigating the government's new utilities contract aggregation scheme for water, broadband, gas and electric provision to identify service providers who can deliver best value for money as existing contracts expire in the near future.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Believe Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

BELIEVE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance committee 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
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint SAAF as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of income and purchases
- testing of staff expenses
- testing of debit card transactions
- testing of HR and payroll
- testing of bank and cash
- review of control account reconciliations
- review of financial reporting

On a bi-annual basis, the internal auditor reports to the board of trustees, through the risk and 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.

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

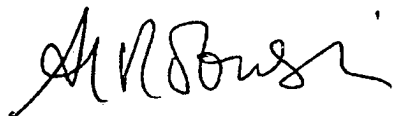
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to ensure continuous improvement of the system is in place.

BELIEVE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Approved by order of the board of trustees on 02 December 2021 and signed on its behalf by:



H Robinson
Chair



G Boyd
Accounting Officer

BELIEVE ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Believe Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and 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 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



G Boyd
Accounting Officer

02 December 2021

BELIEVE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Believe Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

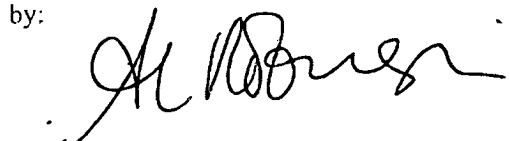
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 02 December 2021 and signed on its behalf by:



H Robinson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELIEVE ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Believe Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELIEVE ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELIEVE ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELIEVE ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to:

- child protection,
- the funding agreement,
- academies accounts direction 2020-2021,
- the academies financial handbook 2020,
- employment and health and safety regulation,
- anti-bribery, corruption and fraud,

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and surplus. Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- enquiries of management,
- testing of journals and evaluating whether there was evidence of bias by the senior leadership team that represented a risk of material misstatement due to fraud
- evaluation of the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- review of correspondence and reports to the regulator, including correspondence with the Education and Skills Funding Agency and
- review of internal audit reports in so far as they related to the financial statements.

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELIEVE ACADEMY
TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

Elizabeth Searby

**Elizabeth Searby (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

2 December 2021

**Chartered Accountants
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO BELIEVE ACADEMY TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2021**

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Believe Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Believe 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 Believe 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 Believe Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Believe Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Believe Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO BELIEVE ACADEMY TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

Conclusion

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

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Dated: 02 December 2021

BELIEVE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	2	-	2,791	135,886	138,677	28,643
Donations - transfer from local authority on conversion	25	425,780	(1,254,000)	7,485,000	6,656,780	-
Charitable activities:						
- Funding for educational operations	3	-	7,388,529	-	7,388,529	6,472,317
Other trading activities	4	84,472	119,840	-	204,312	276,789
Investments	5	192	-	-	192	1,516
Total		510,444	6,257,160	7,620,886	14,388,490	6,779,265
Expenditure on:						
Charitable activities:						
- Educational operations	8	94,462	8,002,688	308,349	8,405,499	7,422,421
Total	6	94,462	8,002,688	308,349	8,405,499	7,422,421
Net income/(expenditure)		415,982	(1,745,528)	7,312,537	5,982,991	(643,156)
Transfers between funds	17	-	(1,702)	1,702	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(1,173,000)	-	(1,173,000)	(1,173,000)
Net movement in funds		415,982	(2,920,230)	7,314,239	4,809,991	(1,816,156)
Reconciliation of funds						
Total funds brought forward		448,635	(5,666,038)	11,370,424	6,153,021	7,969,177
Total funds carried forward		864,617	(8,586,268)	18,684,663	10,963,012	6,153,021

BELIEVE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	2	-	2,939	25,704	28,643
Charitable activities:					
- Funding for educational operations	3	-	6,472,317	-	6,472,317
Other trading activities	4	89,776	187,013	-	276,789
Investments	5	1,516	-	-	1,516
Total		91,292	6,662,269	25,704	6,779,265
Expenditure on:					
Charitable activities:					
- Educational operations	8	84,946	7,078,356	259,119	7,422,421
Total	6	84,946	7,078,356	259,119	7,422,421
Net income/(expenditure)		6,346	(416,087)	(233,415)	(643,156)
Transfers between funds	17	-	(16,958)	16,958	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(1,173,000)	-	(1,173,000)
Net movement in funds		6,346	(1,606,045)	(216,457)	(1,816,156)
Reconciliation of funds					
Total funds brought forward		442,289	(4,059,993)	11,586,881	7,969,177
Total funds carried forward		448,635	(5,666,038)	11,370,424	6,153,021

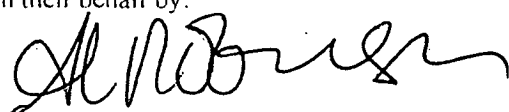
BELIEVE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	12	18,638,231	11,363,028
Current assets			
Stocks	13	16,421	6,868
Debtors	14	555,730	309,156
Cash at bank and in hand		1,322,567	768,545
		<u>1,894,718</u>	<u>1,084,569</u>
Current liabilities			
Creditors: amounts falling due within one year	15	<u>(777,937)</u>	<u>(486,576)</u>
Net current assets		<u>1,116,781</u>	<u>597,993</u>
Net assets excluding pension liability		<u>19,755,012</u>	<u>11,961,021</u>
Defined benefit pension scheme liability	19	<u>(8,792,000)</u>	<u>(5,808,000)</u>
Total net assets		<u><u>10,963,012</u></u>	<u><u>6,153,021</u></u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		18,684,663	11,370,424
- Restricted income funds		205,732	141,962
- Pension reserve		<u>(8,792,000)</u>	<u>(5,808,000)</u>
Total restricted funds		<u>10,098,395</u>	<u>5,704,386</u>
Unrestricted income funds	17	<u>864,617</u>	<u>448,635</u>
Total funds		<u><u>10,963,012</u></u>	<u><u>6,153,021</u></u>

The accounts on pages 26 to 56 were approved by the trustees and authorised for issue on 02 December 2021 and are signed on their behalf by:



H Robinson
Chair

Company Number 07726568

BELIEVE ACADEMY TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20	27,234		69,650	
Cash funds transferred on conversion		489,262		-	
		<u>516,496</u>		<u>69,650</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		192		1,516	
Capital grants from DfE Group		63,321		25,704	
Purchase of tangible fixed assets		<u>(25,987)</u>		<u>(35,266)</u>	
Net cash provided by/(used in) investing activities		<u>37,526</u>		<u>(8,046)</u>	
Net increase in cash and cash equivalents in the reporting period		554,022		61,604	
Cash and cash equivalents at beginning of the year		768,545		706,941	
Cash and cash equivalents at end of the year		<u><u>1,322,567</u></u>		<u><u>768,545</u></u>	

BELIEVE ACADEMY TRUST

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

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Abbey Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The land and buildings has been valued by an independent valuer and is included at fair value. Pension liabilities have been valued as at the date of conversion, further details of the pension valuation are included in note 19. Further details of the transaction are set out in note 25.

1.4 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.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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 period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 period 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 stock 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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 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 land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	25% reducing balance

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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. 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.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 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 chapter 3 part 11 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.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.12 Pensions benefits

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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded 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.

1.13 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 Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	72,565	72,565	-
Capital grants	-	63,321	63,321	25,704
Other donations	-	2,791	2,791	2,939
	<u>-</u>	<u>138,677</u>	<u>138,677</u>	<u>28,643</u>

The income from donations and capital grants was £138,677 (2020: £28,643) of which £138,677 was restricted funds (2020: £28,643).

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	5,374,152	5,374,152	4,792,399
Other DfE/ESFA grants:				
UIFSM	-	92,139	92,139	93,676
Pupil premium	-	715,043	715,043	715,061
Teacher pay grant	-	56,431	56,431	57,909
Teacher Pension grant	-	197,353	197,353	201,528
PE Sports grant	-	63,214	63,214	57,680
Others	-	9,012	9,012	6,246
	-	6,507,344	6,507,344	5,924,499
Other government grants				
Early years funding	-	521,449	521,449	475,800
SEN funding	-	202,489	202,489	32,719
Other local authority grants	-	15,817	15,817	25,057
	-	739,755	739,755	533,576
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	106,931	106,931	14,242
Other DfE/ESFA COVID-19 funding	-	34,499	34,499	-
	-	141,430	141,430	14,242
Total funding	-	7,388,529	7,388,529	6,472,317

The income from funding for educational operations was £7,388,529 (2020: £6,472,317) of which £7,388,529 was restricted (2020: £6,472,317).

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

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Trip Income	-	52,232	52,232	121,169
Catering income	-	33,818	33,818	40,182
Breakfast / After School Club Income	82,653	-	82,653	85,119
Other income	1,819	33,790	35,609	30,319
	<u>84,472</u>	<u>119,840</u>	<u>204,312</u>	<u>276,789</u>

The income from other trading activities was £204,312 (2020: £276,789) of which £84,472 was unrestricted (2020: £89,776) and £119,840 was restricted (2020: £187,013).

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	192	-	192	1,516

The income from funding for investment income was £192 (2020: £1,516) of which £192 was unrestricted (2020: £1,516).

6 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	5,258,826	-	298,923	5,557,749	4,775,466
- Allocated support costs	1,592,618	637,708	617,424	2,847,750	2,646,955
	<u>6,851,444</u>	<u>637,708</u>	<u>916,347</u>	<u>8,405,499</u>	<u>7,422,421</u>

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021****6 Expenditure****(Continued)**

Net income/(expenditure) for the year includes:	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	13,500	13,200
- Other services	5,400	-
Operating lease rentals	8,736	7,840
Depreciation of tangible fixed assets	308,349	259,119
Net interest on defined benefit pension liability	102,000	51,000

7 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- premises and estate management.

The academy trust charges for these services on the following basis:

- for Abbey Primary School, Arnbrook Primary School and Derwent Primary School, a flat percentage of income (5%);
- for Southwark Primary School, a flat percentage of GAG income (13%).

The greater contribution towards central costs paid by Southwark reflects the fact that the central trust office is based at Southwark and a number of trust employees contribute directly towards its effective management, particularly in the areas of Finance, HR and Estate Management. The Trust's plans for expansion through the addition of at least one more primary school in the coming year will act to reduce the Southwark charge to bring it more in line with the flat 5% charged across the rest of the trust.

The amounts charged during the year were as follows:

	2021	2020
	£	£
Southwark Primary School	409,080	377,545
Arnbrook Primary School	50,760	51,600
Derwent Primary School	50,160	54,000
Believe Academy Trust	-	-
Abbey Primary School	29,400	-
	<u>539,400</u>	<u>483,145</u>

BELIEVE ACADEMY TRUST

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

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	94,462	5,463,287	5,557,749	4,775,466
Support costs				
Educational operations	-	2,847,750	2,847,750	2,646,955
	<u>94,462</u>	<u>8,311,037</u>	<u>8,405,499</u>	<u>7,422,421</u>
			2021 £	2020 £
Analysis of support costs				
Support staff costs			1,592,618	1,556,986
Depreciation			308,349	259,119
Technology costs			49,978	37,129
Premises costs			329,359	309,643
Legal costs			63,201	55,246
Other support costs			480,350	411,482
Governance costs			23,895	17,350
			<u>2,847,750</u>	<u>2,646,955</u>

The expenditure on educational operations was £8,405,499 (2020: £7,422,421) of which £94,462 was unrestricted (2020: £84,946), £8,002,688 was restricted (2020: £7,078,356) and £308,349 was restricted fixed assets (2020: £259,119).

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2021**9 Staff****Staff costs**

Staff costs during the year were:

	2021	2020
	£	£
Wages and salaries	4,680,755	4,300,102
Social security costs	442,059	408,228
Pension costs	1,513,476	1,279,263
Staff costs - employees	6,636,290	5,987,593
Agency staff costs	193,731	119,986
	6,830,021	6,107,579
Staff development and other staff costs	21,423	36,944
Total staff expenditure	6,851,444	6,144,523

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2021	2020
	Number	Number
Teachers	71	70
Administration and support	122	111
	193	181

Higher paid staff

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

	2021	2020
	Number	Number
£60,000 - £70,000	3	4
£70,000 - £80,000	1	-
£100,000 - £110,000	1	1

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

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) received by key management personnel for their services to the academy trust was £715,697 (2020: £703,048).

10 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 Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the role of executive principal and staff members under their contracts of employment. During the year no travel and subsistence payments were reimbursed to the trustees.

The value of Trustees' remuneration and other benefits was as follows:

R Lambert (Staff):

Remuneration: £60,000 - £65,000 (2020: £55,000 - £60,000)

Employers Pension Contributions: £10,000 - £15,000 (2020: £10,000 - £15,000)

G Boyd resigned as a trustee on 10 October 2019, for completeness the value of the CEO's remuneration and other benefits was as follows:

G Boyd (Chief Executive Officer):

Remuneration: £105,000 - £110,000 (2020: £100,000 - £105,000)

Employers Pension Contributions: £20,000 - £25,000 (2019: £20,000 - £25,000)

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has joined the Education and Skills Funding Agency's Risk Protection scheme to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. This scheme provides unlimited cover. As the cover for the trustees and officers is part of the policy, the cost cannot be determined in either this year or prior years.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Long leasehold buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	12,602,948	318,726	115,470	16,200	13,053,344
Transfer on conversion	7,485,000	-	-	-	7,485,000
Additions	-	87,420	11,132	-	98,552
	<u>20,087,948</u>	<u>406,146</u>	<u>126,602</u>	<u>16,200</u>	<u>20,636,896</u>
Depreciation					
At 1 September 2020	1,317,697	285,287	79,674	7,658	1,690,316
Charge for the year	261,441	33,550	11,222	2,136	308,349
	<u>1,579,138</u>	<u>318,837</u>	<u>90,896</u>	<u>9,794</u>	<u>1,998,665</u>
Net book value					
At 31 August 2021	<u>18,508,810</u>	<u>87,309</u>	<u>35,706</u>	<u>6,406</u>	<u>18,638,231</u>
At 31 August 2020	<u>11,285,251</u>	<u>33,439</u>	<u>35,796</u>	<u>8,542</u>	<u>11,363,028</u>

At 31 August 2021, the Trust holds four properties under 125-year leases from Nottingham City Council, Nottinghamshire County Council and Derby City Council. These properties are included at their depreciated replacement cost at the date of conversion to academy status.

Included in long leasehold land and buildings is land of £2,538,100 (2020: £1,768,100) which has not been depreciated.

13 Stocks

	2021 £	2020 £
Stock	<u>16,421</u>	<u>6,868</u>

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2021**14 Debtors**

	2021	2020
	£	£
Trade debtors	1,949	1,625
VAT recoverable	40,808	27,879
Prepayments and accrued income	512,973	279,652
	<u>555,730</u>	<u>309,156</u>

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	169,825	113,710
Other taxation and social security	264,752	203,633
Accruals and deferred income	343,360	169,233
	<u>777,937</u>	<u>486,576</u>

16 Deferred income

	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	<u>273,219</u>	<u>152,103</u>
Deferred income at 1 September 2020	152,103	95,953
Released from previous years	(152,103)	(95,953)
Resources deferred in the year	<u>273,219</u>	<u>152,103</u>
Deferred income at 31 August 2021	<u>273,219</u>	<u>152,103</u>

At the balance sheet date the academy trust had received various grants in advance for expenditure which will be incurred in the period to 31 August 2021. This includes Special Education Needs funding of £75,465 (2020: £13,807), Universal Infant Free School Meals funding of £80,539 (2020: £14,004), rates relief of £11,192 (2020: £15,854), Early Years funding of £103,719 (2020: £107,438), Kellogg's breakfast grant of £1,000 (2020: £1,000), KS1 class size grant of £1,294 (2020: Nil) and Trip income of £10 (2020: £Nil).

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	118,962	5,374,152	(5,301,860)	(1,702)	189,552
UIFSM	-	92,139	(92,139)	-	-
Pupil premium	-	715,043	(715,043)	-	-
PE Sports grant	23,000	63,214	(70,034)	-	16,180
Catch-up premium	-	106,931	(106,931)	-	-
Other DfE/ESFA COVID-19 funding	-	34,499	(34,499)	-	-
Other DfE/ESFA grants	-	262,796	(262,796)	-	-
Other government grants	-	739,755	(739,755)	-	-
Other restricted funds	-	122,631	(122,631)	-	-
Pension reserve	(5,808,000)	(1,254,000)	(557,000)	(1,173,000)	(8,792,000)
	<u>(5,666,038)</u>	<u>6,257,160</u>	<u>(8,002,688)</u>	<u>(1,174,702)</u>	<u>(8,586,268)</u>
Restricted fixed asset funds					
DfE group capital grants	696,305	72,565	(59,822)	25,987	735,035
Unspent DfC funds	7,396	63,321	-	(24,285)	46,432
Inherited on conversion	10,666,723	7,485,000	(248,527)	-	17,903,196
	<u>11,370,424</u>	<u>7,620,886</u>	<u>(308,349)</u>	<u>1,702</u>	<u>18,684,663</u>
Total restricted funds	<u>5,704,386</u>	<u>13,878,046</u>	<u>(8,311,037)</u>	<u>(1,173,000)</u>	<u>10,098,395</u>
Unrestricted funds					
General funds	<u>448,635</u>	<u>510,444</u>	<u>(94,462)</u>	<u>-</u>	<u>864,617</u>
Total funds	<u>6,153,021</u>	<u>14,388,490</u>	<u>(8,405,499)</u>	<u>(1,173,000)</u>	<u>10,963,012</u>

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

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.

Included within unrestricted funds are £425,780 that was received on transfer on conversion from Abbey Primary School. The Trust plan to spend some of these unrestricted funds on capital projects at Abbey School in the future.

During the year ended 31 August 2021 the trustees authorised the transfer of funds from restricted funds to the fixed asset restricted fund in order to finance fixed asset additions that are not financed by capital grants. The transfer amounted to £1,702.

At 31 August 2021 there were unspent capital grants totalling £46,432. These are included within the fixed asset funds.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

The brought forward restricted funds have been amended to include PE Sports Grant of £23,000. This had previously been included within the GAG funds.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

The pension reserve held within restricted funds was in deficit by £8,792,000 at 31 August 2021. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	200,007	4,792,399	(4,833,486)	(16,958)	141,962
UIFSM	-	93,676	(93,676)	-	-
Pupil premium	-	715,061	(715,061)	-	-
Other DfE/ESFA grants	-	323,363	(323,363)	-	-
Other government grants	-	547,818	(547,818)	-	-
Other restricted funds	-	189,952	(189,952)	-	-
Pension reserve	(4,260,000)	-	(375,000)	(1,173,000)	(5,808,000)
	<u>(4,059,993)</u>	<u>6,662,269</u>	<u>(7,078,356)</u>	<u>(1,189,958)</u>	<u>(5,666,038)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>11,586,881</u>	<u>25,704</u>	<u>(259,119)</u>	<u>16,958</u>	<u>11,370,424</u>
Total restricted funds	<u>7,526,888</u>	<u>6,687,973</u>	<u>(7,337,475)</u>	<u>(1,173,000)</u>	<u>5,704,386</u>
Unrestricted funds					
General funds	<u>442,289</u>	<u>91,292</u>	<u>(84,946)</u>	<u>-</u>	<u>448,635</u>
Total funds	<u>7,969,177</u>	<u>6,779,265</u>	<u>(7,422,421)</u>	<u>(1,173,000)</u>	<u>6,153,021</u>

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021****17 Funds****(Continued)****Total funds analysis by academy**

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Southwark Primary School	936,229	895,309
Arnbrook Primary School	(338,839)	(305,234)
Derwent Primary School	94,365	108,713
Believe Academy Trust	(130,751)	(108,191)
Abbey Primary School	509,345	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,070,349	590,597
Restricted fixed asset fund	18,684,663	11,370,424
Pension reserve	(8,792,000)	(5,808,000)
	<hr/>	<hr/>
Total funds	<u>10,963,012</u>	<u>6,153,021</u>

Arnbrook Primary School and the Central Trust are showing a deficit reserve position due to a lack of brought forward reserves combined with a challenging funding position in the current financial climate. The Trust is working to recover this reserves deficit over time whilst not sacrificing the quality of educational provision in any school.

BELIEVE ACADEMY TRUST

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

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Southwark Primary School	2,502,664	608,592	131,896	885,359	4,128,511	3,972,512
Arnbrook Primary School	972,854	185,008	56,139	225,799	1,439,800	1,430,752
Derwent Primary School	1,054,937	337,898	53,795	242,979	1,689,609	1,710,254
Believe Academy Trust	242,655	307,854	13,584	33,466	597,559	532,929
Abbey Primary School	485,716	151,266	43,508	100,582	781,072	-
	<u>5,258,826</u>	<u>1,590,618</u>	<u>298,922</u>	<u>1,488,185</u>	<u>8,636,551</u>	<u>7,646,447</u>

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Southwark Primary School	2,552,625	499,365	71,281	849,241	3,972,512
Arnbrook Primary School	990,208	187,614	27,384	225,546	1,430,752
Derwent Primary School	1,114,768	336,624	41,188	217,674	1,710,254
Believe Academy Trust	236,301	278,020	192	18,416	532,929
Abbey Primary School	-	-	-	-	-
	<u>4,893,902</u>	<u>1,301,623</u>	<u>140,045</u>	<u>1,310,877</u>	<u>7,646,447</u>

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	18,638,231	18,638,231
Current assets	864,617	983,669	46,432	1,894,718
Creditors falling due within one year	-	(777,937)	-	(777,937)
Defined benefit pension liability	-	(8,792,000)	-	(8,792,000)
Total net assets	864,617	(8,586,268)	18,684,663	10,963,012

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	11,363,028	11,363,028
Current assets	448,635	628,538	7,396	1,084,569
Creditors falling due within one year	-	(486,576)	-	(486,576)
Defined benefit pension liability	-	(5,808,000)	-	(5,808,000)
Total net assets	448,635	(5,666,038)	11,370,424	6,153,021

19 Pension and similar obligations

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 Nottinghamshire County Council and Derbyshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £141,653 were payable to the schemes at 31 August 2021 (2020: £110,153) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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. The 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.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

The pension costs paid to the TPS in the period amounted to £740,625 (2020: £699,243).

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.1% for employers and 6.5% for employees.

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021****19 Pension and similar obligations****(Continued)**

As described in note 25 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined 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.

Total contributions made	2021	2020
	£	£
Employer's contributions	314,000	250,000
Employees' contributions	89,000	76,000
	<u> </u>	<u> </u>
Total contributions	403,000	326,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.8	3.2
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.7	1.6
Inflation assumption (CPI)	2.9	2.3
	<u> </u>	<u> </u>

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.5	21.8
- Females	24.2	24.2
Retiring in 20 years		
- Males	22.8	23.1
- Females	25.7	25.7
	<u> </u>	<u> </u>

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021****19 Pension and similar obligations****(Continued)**

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021	2020
	£'000	£'000
Discount rate + 0.1%	(394)	(262)
Discount rate - 0.1%	403	266
Salary increase rate +0.1%	41	27
Salary increase rate -0.1%	(41)	(27)
CPI rate + 0.1%	357	235
CPI rate - 0.1%	(350)	(232)

Defined benefit pension scheme net liability

	2021	2020
	£	£
Scheme assets	6,013,000	4,416,000
Scheme obligations	(14,805,000)	(10,224,000)
Net liability	(8,792,000)	(5,808,000)

The academy trust's share of the assets in the scheme

	2021	2020
	Fair value	Fair value
	£	£
Equities	3,903,000	2,662,000
Bonds	304,000	514,000
Gilts	436,000	134,000
Cash	256,000	203,000
Property	576,000	532,000
Other assets	538,000	371,000
Total market value of assets	6,013,000	4,416,000

The actual return on scheme assets was £709,000 (2020: £183,000).

BELIEVE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021****19 Pension and similar obligations****(Continued)**

Amount recognised in the statement of financial activities	2021	2020
	£	£
Current service cost	767,000	574,000
Interest income	(77,000)	(106,000)
Interest cost	179,000	157,000
Administration expenses	2,000	-
Total operating charge	<u>871,000</u>	<u>625,000</u>

Changes in the present value of defined benefit obligations	2021	2020
	£	£
At 1 September 2020	10,223,000	8,230,000
Obligations acquired on conversion	1,972,000	-
Current service cost	767,000	574,000
Interest cost	179,000	156,000
Employee contributions	89,000	76,000
Actuarial loss	1,805,000	1,251,000
Benefits paid	(230,000)	(63,000)
At 31 August 2021	<u>14,805,000</u>	<u>10,224,000</u>

Changes in the fair value of the academy trust's share of scheme assets

	2021	2020
	£	£
At 1 September 2020	4,415,000	3,970,000
Assets acquired on conversion	718,000	-
Interest income	77,000	106,000
Actuarial gain	632,000	77,000
Employer contributions	314,000	250,000
Employee contributions	89,000	76,000
Benefits paid	(230,000)	(63,000)
Administration expenses	(2,000)	-
At 31 August 2021	<u>6,013,000</u>	<u>4,416,000</u>

BELIEVE ACADEMY TRUST

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

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

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,982,991	(643,156)
Adjusted for:		
Net surplus on conversion to academy	(6,656,780)	-
Capital grants from DfE and other capital income	(135,886)	(25,704)
Investment income receivable	(192)	(1,516)
Defined benefit pension costs less contributions payable	455,000	324,000
Defined benefit pension scheme finance cost	102,000	51,000
Depreciation of tangible fixed assets	308,349	259,119
(Increase)/decrease in stocks	(9,553)	11,990
(Increase) in debtors	(246,574)	(17,202)
Increase in creditors	291,361	111,119
Deferred income transferred on conversion	(63,482)	-
Net cash provided by operating activities	27,234	69,650

21 Analysis of changes in net funds

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash	768,545	554,022	1,322,567

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts due within one year	39,474	2,022
Amounts due in two and five years	45,540	8,088
Amounts due after five years	14,081	6,740
	99,095	16,850

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23 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 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.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 10.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

BELIEVE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

25 Conversion to an academy

On 1 May 2021 the Abbey Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Believe Academy Trust from the Nottinghamshire Local Authority 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – 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.

Academy	Location	Date of conversion		
Abbey Primary School	Mansfield	1 May 2021		
	Unrestricted funds	Restricted funds:		Total 2021
	£	General	Fixed asset	£
Net assets transferred:				
Leasehold land and buildings	-	-	7,485,000	7,485,000
Cash	425,780	63,482	-	489,262
Pension scheme deficit	-	(1,254,000)	-	(1,254,000)
Creditors due within one year	-	(63,482)	-	(63,482)
	<u>425,780</u>	<u>(1,254,000)</u>	<u>7,485,000</u>	<u>6,656,780</u>
	Unrestricted funds	Restricted funds:		Total 2021
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	7,485,000	7,485,000
LA budget funds	425,780	-	-	425,780
LGPS pension funds	-	(1,254,000)	-	(1,254,000)
	<u>425,780</u>	<u>(1,254,000)</u>	<u>7,485,000</u>	<u>6,656,780</u>