

Registered number: 08190187

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

S Hayday
J Moore
H Williamson-Cole
M Heathcote
V Pillenger-Cork

Trustees

S Hayday, Chair of Trustees²
H Williamson-Cole (resigned 18 October 2017)²
V Pillenger-Cork (resigned 18 October 2017)
J Valin²
W Golinska (appointed 26 September 2018)²
J Moore²
V Simpson²
J Clatworthy (resigned 21 April 2018)²
G Dryja (appointed 26 September 2018)
L Buckley (appointed 26 September 2018)
S Tyler (appointed 30 April 2018)
D Rix (appointed 26 September 2018)

² Members of the Policy, Finance & Premises Committee in 2016-17

Company registered number

08190187

Company name

Southfields Multi Academy Trust

Principal and registered office

333 Merton Road, London, SW18 5JU

Chief executive officer

Jacqueline Valin

Senior management team

J Valin, CEO/Principal Southfields Multi Academy Trust
W Golinska, Headteacher Southfields Academy
L Davis, Deputy Headteacher Southfields Academy
S Gray, Deputy Headteacher Southfields Academy
T Gray, Deputy Headteacher Southfields Academy
D Holt, Deputy Headteacher Southfields Academy
S Elson, Director of Finance Southfields Multi Academy Trust

Independent auditors

Landau Baker Ltd, Mountcliff House, 154 Brent Street, London, NW4 2DR

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers

Bankers

Lloyds Bank, 34 Moorgate, London, EC2R 6PL

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In 2017/18, the trust operated one secondary academy in Wandsworth. Southfields Academy is an academy for students aged 11 to 19 and serves a large catchment area in south London. Southfields Academy had a roll of 1,147 in the school census in October 2017.

Linden Lodge School joined the Southfields Multi Academy Trust on 1 September 2018. Linden Lodge School provides a high quality educational experience for visually impaired pupils, including those who are multi-disabled visually impaired. Linden Lodge is recognized as a specialist Regional Centre for children aged between two and nineteen. The school also supports pupils with profound and multiple learning difficulties.

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 Southfields Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Southfields MAT.

Details of the trustees who served during the period 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

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- o The MAT Chief Executive Officer
- o Up to 9 trustees, appointed by the members
- o A secondary school headteacher from within the Trust
- o A special school headteacher from within the Trust
- o A primary school headteacher from within the Trust (when appropriate)

The term of office for any trustee is 4 years. The MAT CEO's term of office runs parallel with his/her term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All governors are

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

Organisational Structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executive who are the senior leadership team.

The board of trustees has considered its role thoughtfully and decided that the trustees role is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The board of trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Chief Executive assumes the accounting officer role.

Trade union facility time

None on the employees of the academy trust were relevant union officials during the relevant accounting period. Consequently, none of the pay bill is attributable to the trade union facility.

Related Parties and other Connected Charities and Organisations

Southfields Academy is the founding member of the Southfields Multi Academy Trust which is a separate Trust where Southfields Academy was the only member in 2017/18. Linden Lodge School joined the Trust on 1 September 2018. The Trust undertakes educational support activities.

Southfields Academy has relationships with other charities, as named below, with which it cooperates in the pursuit of charitable activities:

nursery@aspire	Charity No. 1149367
aspire@southfields	Charity No. 1147877
Friends of Southfields Academy	Charity No. 0802055

All trustees are required to complete a Register of Declared Interests annually.

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Objectives and Activities

Objects and Aims

The principal object and activity of the Southfields Multi Academy Trust is the operation of Southfields Academy to provide a broad and balanced education for pupils of all abilities in the south London area and beyond. The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the multi academy trust.

Linden Lodge School has now joined the Southfields Multi Academy Trust and the Trust will be following the same aims and objectives in respect of Linden Lodge School with reference to the particular circumstances of Linden Lodge School's characteristics as a special school that serves the south-east England region.

In accordance with the articles of association, the multi academy trust has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of their community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

Objectives, Strategies and Activities

The Multi Academy Trust has undertaken self-evaluation activities to correctly identify objectives for the next year.

The main objectives for the coming year are to provide the best possible education of the students of Southfields Academy and Linden Lodge School and to continue to maintain, manage and develop the Southfields Multi Academy Trust. This will include continuing to offer a balanced and inclusive curriculum to all students within the Trust.

Southfields Multi Academy Trust will continue to help all students within the Trust develop the following skills and qualities:

High expectations of themselves and others; self-discipline; self-motivation; independent working; questioning and enquiring minds; application of knowledge; confidence; creative and aesthetic capability; scientific and technological capability; excellent communicators orally and through the written word; tolerance; sensitivity and respect for others; honesty and reliability; excellence in numeracy.

The overall aim of the Southfields Multi Academy Trust is for students and staff to accept the challenges of learning so that students leave with the knowledge, skills and maturity to take up their adult roles.

The Southfields Multi Academy Trust will build its capacity as appropriate.

Public Benefit

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money for local, national and international charities.
- o Inclusive sports programmes that provide sporting activities to local primary and special schools.
- o Support of local primary schools in a number of academic areas.

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TRUSTEES' REPORT (continued)
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- o Teaching School status.
- o Hosting the local school nursing provision.
- o Offering facilities to local community organisations.

In the past year, Southfields Academy has been supporting Linden Lodge School in advance of Linden Lodge joining the Southfields Multi Academy Trust.

Strategic Report

Achievements and Performance

Key Performance Indicators

Southfields Academy created the Southfields Multi Academy Trust in February 2017.

Linden Lodge School joined the Southfields Multi Academy Trust on 1 September 2018.

The Southfields Academy results in KS3 Teacher Assessments and GCSE exams at KS4 were as follows:

	2018		
	Target	Actual	Diff
Progress 8	0.00	+0.23	+0.23
Attainment 8	44.01	45.33	+1.32
% 9 to 4 in English and mathematics	50%	69%	+19%
% 9 to 5 in English and mathematics	35%	42%	+7%
% EBacc 9 to 4	14%	12%	-2%
Cohort		181	

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

During the period, ESFA/LA grants received totalled to £8,004,294. Other income included within restricted funds totalled to £884,545. Restricted fund expenditure totalled to £9,806,502.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims. This will apply to Linden Lodge School now that it has joined the Southfields Multi Academy Trust.

A previous reduction in student numbers, coupled with flat funding rates, have combined to increase the financial pressure on Southfields Academy. Reserves will be used in the short-term to maintain the level of education and the trustees have approved a five year plan to review all costs and work towards increasing student numbers.

The Director of Finance and Financial Controller have continued to review costs and significant savings have been found in staffing, and non-staffing areas such as cleaning, paper procurement, telecoms and waste disposal. This will continue to be an on-going process and will continue with the addition of Linden Lodge School to the Trust.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Trust.

Total reserves at the end of the period amounted to £7,777,935. This balance is made up of restricted funds. The amount of designations made in relation to the unrestricted reserves totals to £NIL.

Planned uses for the Trust's reserves are as follows:

o contribution to Southfields Academy budget from 2018-19 to 2020-21	£3,000,000
o All weather pitch renewal (at £30k per annum from 2011)	£210,000
o Changing Rooms renewal (at £20k per annum from 2011)	£140,000
o Fitness Suite Renewal (at £8k per annum from 2008)	£80,000
o Maintenance of buildings (at £50k per annum from 2011)	£350,000

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totaling to £1,300,000. This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that

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can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment Policy

It should be noted that the Multi Academy Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at academy level, which is agreed by the local Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academies to additional risk. The only investments held by Southfields Academy are in safe deposit accounts. Trustees have agreed a Liquidity Policy that states that the equivalent of one month's salary should be held in a current account so as to be immediately available. This policy will also be applied to Linden Lodge School.

Other funds are held in a variety of different interest paying accounts that give access to half of the reserves within a one year period.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Multi Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and students.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2018.

Fundraising

The main fundraising event held in May 2018 was a reunion of former students and teachers of Southfields Academy. This proved to be a popular event that raised £5,000 through the Friends of Southfields Academy charity. In accordance with the wishes of many of the attendees, the funds raised were spent on books to support the Academy's Extended Reader programme.

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Plans for Future Periods

Linden Lodge School joined the Southfields Multi Academy Trust on 1 September 2018. The Trust has no immediate plans to add further schools though it will continue to talk to interested, local schools, if they wish to explore their options regarding academy status. The overall aim will be to ensure that the Trust is sustainable and capable of fully supporting all of its members schools.

The Trust will continue to pursue procurement opportunities that offer value for money and will seek, wherever practical, to find procurement savings across the Trust.

Funds Held as Custodian Trustee on Behalf of Others

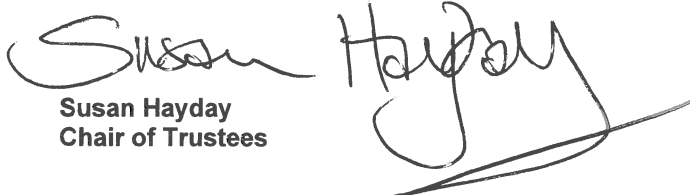
The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on the board's behalf by:


Susan Hayday
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Southfields Multi 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.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Southfields Multi 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.

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

Trustee	Meetings attended	Out of a possible
S Hayday, Chair of Trustees	3	3
H Williamson-Cole	2	3
V Pillenger-Cork	0	0
J Valin	3	3
W Golinska	3	3
J Moore	3	3
V Simpson	3	3
J Clatworthy	0	2
M Heathcote	2	3
T Strickland	2	3
S Tyler	1	1
A Myers	1	1

Trustees typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Trustee Board Committee is reviewed and monitored through the Headline Document that each committee reviews and produces on a termly basis. Governance has been fully reviewed as a consequence of Linden Lodge School joining the Trust. The Terms of Reference for the Trust have been rewritten and agreed at the Members' AGM. The Trust Scheme of Delegation has also been rewritten and agreed by Members. The governance of the Trust will stay under review in 2018-19 to ensure that it is appropriate and effective for a multi academy trust.

The Policy, Finance and Premises committee is a sub-committee of the main board of trustees. One of its key roles is to ensure that the Academy, and the Multi Academy Trust, is following the ESFA's funding regulations and guidance.

No significant issues to note were dealt with during the period

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
H Williamson-Cole, Chair	3	3
J Moore	3	3
M Heathcote	3	3
V Simpson	3	3

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GOVERNANCE STATEMENT (continued)

S Hayday	3	3
J Valin	3	3
W Golinska	3	3

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

- o continuing to review staffing levels and only filling vacancies where it was necessary for educational or operational reasons.
- o continuing to review non-staffing contracts to find savings in areas such as paper procurement and waste disposal.
- o Reviewing ways to increase income to the academy

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Southfields Multi Academy Trust for the year 1 September 2017 to 31 August 2018 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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 and general purposes 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.

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GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided:

To continue the role of C Evans ACA as Financial Controller responsible of carrying out internal financial review across the Trust.

The Financial Controller'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 payroll reconciliations
- testing of debt recovery system
- testing of control account/ bank reconciliations

On a termly basis, C Evans ACA, the Financial Controller, reports to the Multi Academy Trust Board of Trustees through the Policy, Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Financial Controller also produces a projected outturn that explains to trustees the predicted variances against the original budget for the year.

The Trustee Board can confirm that the Financial Controller has delivered their schedule of work as planned and has provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required.

Review of Effectiveness

As Accounting Officer, the Chief Executive 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Policy, Finance and Premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:


Susan Hayday
Chair of Trustees


Jacqueline Valin
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Southfields Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust 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 2017.

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.



Jacqueline Valin
Accounting Officer

Date: 5 December 2018

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



Susan Hayday
Chair of Trustees

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

OPINION

We have audited the financial statements of Southfields Multi Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
5 December 2018

SOUTHFIELDS MULTI ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
SOUTHFIELDS MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 April 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southfields Multi Academy Trust during the year 1 September 2017 to 31 August 2018 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 Southfields Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southfields Multi Academy Trust and the 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 Southfields Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Southfields Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
SOUTHFIELDS MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**
(continued)

The work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focussed testing, driven by our audit of the financial statements, principally checking that:
 - o Grant income received has been expensed on prescribed expenditure; and
 - o Expenditure has been appropriately authorised in accordance with the procedures outlined in the Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

5 December 2018

SOUTHFIELDS MULTI ACADEMY TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

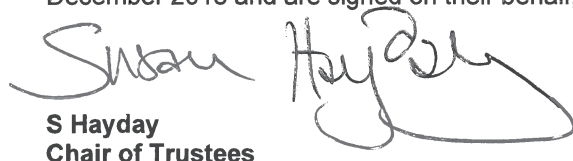
	Note	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and capital grants	2	-	24,711	24,711	29,779
Charitable activities	3	8,110,559	-	8,110,559	9,948,710
Teaching schools	25	111,400	-	111,400	128,779
Other trading activities	4	611,367	-	611,367	401,820
Investments	5	55,513	-	55,513	75,363
TOTAL INCOME		8,888,839	24,711	8,913,550	10,584,451
EXPENDITURE ON:					
Charitable activities		9,743,867	1,654,614	11,398,481	11,451,292
Teaching schools	25	62,635	-	62,635	117,682
TOTAL EXPENDITURE	6	9,806,502	1,654,614	11,461,116	11,568,974
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(917,663)	(1,629,903)	(2,547,566)	(984,523)
Actuarial gains on defined benefit pension schemes	22	1,191,000	-	1,191,000	974,000
NET MOVEMENT IN FUNDS		273,337	(1,629,903)	(1,356,566)	(10,523)
RECONCILIATION OF FUNDS:					
Total funds brought forward		6,204,598	49,555,426	55,760,024	55,770,547
TOTAL FUNDS CARRIED FORWARD		6,477,935	47,925,523	54,403,458	55,760,024

SOUTHFIELDS MULTI ACADEMY TRUST
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REGISTERED NUMBER: 08190187

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		47,925,523		49,063,220
CURRENT ASSETS					
Debtors	16	260,636		227,996	
Cash at bank and in hand		8,002,362		8,985,773	
		<u>8,262,998</u>		<u>9,213,769</u>	
CREDITORS: amounts falling due within one year	17	<u>(485,063)</u>		<u>(476,965)</u>	
NET CURRENT ASSETS			<u>7,777,935</u>		<u>8,736,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	22		<u>(1,300,000)</u>		<u>(2,040,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>54,403,458</u></u>		<u><u>55,760,024</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	7,777,935		8,244,598	
Restricted fixed asset funds	18	47,925,523		49,555,426	
Restricted income funds excluding pension liability		<u>55,703,458</u>		<u>57,800,024</u>	
Pension reserve		<u>(1,300,000)</u>		<u>(2,040,000)</u>	
Total restricted income funds			<u>54,403,458</u>		<u>55,760,024</u>
TOTAL FUNDS			<u><u>54,403,458</u></u>		<u><u>55,760,024</u></u>

The financial statements on pages 20 to 41 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:


S Hayday
Chair of Trustees

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(1,008,122)</u>	<u>721,843</u>
Capital grants from DfE Group		<u>24,711</u>	<u>29,779</u>
Net cash provided by investing activities		<u>24,711</u>	<u>29,779</u>
Change in cash and cash equivalents in the year		<u>(983,411)</u>	<u>751,622</u>
Cash and cash equivalents brought forward		<u>8,985,773</u>	<u>8,234,151</u>
Cash and cash equivalents carried forward		<u><u>8,002,362</u></u>	<u><u>8,985,773</u></u>

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Southfields Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight-line basis
Furniture and fixtures	-	33% straight-line basis
Plant and equipment	-	20% straight-line basis
Motor vehicles	-	20% straight-line basis
Computer equipment	-	33% straight-line basis

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 incorporating income and expenditure account.

1.6 Debtors

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

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Liabilities and provisions

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Fund accounting

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

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

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

1.10 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM CAPITAL GRANTS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital Grants	-	24,711	24,711	29,779
<i>Total 2017</i>	-	29,779	29,779	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Southfields Multi Academy Trust

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grants	7,135,569	7,135,569	9,055,602
Other ESFA Grants	15,811	15,811	24,600
Pupil Premium	334,836	334,836	360,262
	<u>7,486,216</u>	<u>7,486,216</u>	<u>9,440,464</u>
Other government grants			
SEN Grants	118,410	118,410	191,071
Other LA grants	288,268	288,268	161,367
	<u>406,678</u>	<u>406,678</u>	<u>352,438</u>
Other funding			
Other Earned Income	108,373	108,373	129,504
Other Receipts	109,292	109,292	26,304
	<u>217,665</u>	<u>217,665</u>	<u>155,808</u>
	<u>8,110,559</u>	<u>8,110,559</u>	<u>9,948,710</u>
<i>Total 2017</i>	<u>9,948,710</u>	<u>9,948,710</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Catering income	116,098	116,098	126,795
Trips income	9,561	9,561	18,073
Letting income	236,907	236,907	62,590
Other earned income	174,751	174,751	135,177
Recharges	24,764	24,764	8,700
Other income	49,286	49,286	50,485
	<u>611,367</u>	<u>611,367</u>	<u>401,820</u>
<i>Total 2017</i>	<u>401,820</u>	<u>401,820</u>	

5. INVESTMENT INCOME

	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Investment income	55,513	55,513	75,363
	<u>55,513</u>	<u>55,513</u>	<u>75,363</u>
<i>Total 2017</i>	<u>75,363</u>	<u>75,363</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Educational Operations:					
Direct costs	5,322,741	1,137,697	1,060,041	7,520,479	7,663,782
Support costs	2,844,478	784,305	249,219	3,878,002	3,787,510
Teaching school	62,635	-	-	62,635	117,682
	<u>8,229,854</u>	<u>1,922,002</u>	<u>1,309,260</u>	<u>11,461,116</u>	<u>11,568,974</u>
<i>Total 2017</i>	<u>8,471,054</u>	<u>1,746,177</u>	<u>1,351,743</u>	<u>11,568,974</u>	

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	7,520,479	3,878,002	11,398,481	11,451,292
<i>Total 2017</i>	<u>7,663,782</u>	<u>3,787,510</u>	<u>11,451,292</u>	

8. DIRECT COSTS

	Educational Operations £	Total 2018 £	Total 2017 £
Educational equipment	174,041	174,041	229,397
ICT Learning resources	132,471	132,471	98,272
Examination fees	173,344	173,344	168,539
Bought in professional Services	66,020	66,020	64,095
Catering supplies	211,165	211,165	176,093
Insurance	65,761	65,761	63,099
Administrative supplies	25,450	25,450	33,863
Building maintenance	86,424	86,424	150,582
Grounds maintenance	10,664	10,664	29,104
Other occupancy costs	778	778	6,403
Other expenses	60,361	60,361	20,383
Other staff costs	53,562	53,562	43,197
Wages and salaries	4,238,621	4,238,621	4,321,735
National insurance	457,114	457,114	440,384
Pension cost	627,006	627,006	608,368
Depreciation	1,137,697	1,137,697	1,210,268
	<u>7,520,479</u>	<u>7,520,479</u>	<u>7,663,782</u>
<i>Total 2017</i>	<u>7,663,782</u>	<u>7,663,782</u>	

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. SUPPORT COSTS

	Educational Operations	Total 2018	<i>Total 2017</i>
	£	£	£
Pension finance cost	49,000	49,000	54,000
Bought in professional Services	114,180	114,180	51,960
Insurance	499	499	5,139
Administrative supplies	14,109	14,109	15,183
Building maintenance	141,470	141,470	40,828
Grounds maintenance	931	931	6,098
Cleaning and caretaking	286,497	286,497	169,032
Water & rates	75,003	75,003	56,378
Energy	273,559	273,559	250,882
Governance costs	7,885	7,885	7,530
Telephone	10,055	10,055	13,680
Other occupancy costs	6,575	6,575	12,691
Other expenses	26,821	26,821	14,250
Bad debts	-	-	74,206
Other staff costs	26,940	26,940	30,317
Wages and salaries	1,971,188	1,971,188	2,145,777
National insurance	154,165	154,165	164,818
Pension cost	719,125	719,125	674,741
	<u>3,878,002</u>	<u>3,878,002</u>	<u>3,787,510</u>
<i>Total 2017</i>	<u>3,787,510</u>	<u>3,787,510</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	<i>2017</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,137,697	1,210,268
Auditors' remuneration - audit	4,800	4,800
Auditors' remuneration - other services	3,085	2,730
	<u>1,145,582</u>	<u>1,227,800</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	6,209,809	6,467,512
Social security costs	611,279	605,202
Operating costs of defined benefit pension schemes	1,346,131	1,283,109
	8,167,219	8,355,823
Teaching school	62,635	115,231
	8,229,854	8,471,054

b. Staff numbers

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

	2018	2017
	No.	No.
Management	13	14
Teachers	98	101
Support	103	101
	214	216

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	4	3
In the band £100,001 - £200,000	2	2

d. Key management personnel

The key management personnel of the academy 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 was £1,399,328 (2017: £1,276,244).

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12. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Jacqueline Valin (Principal and Trustee)
Remuneration £185,000 - £190,000 (2017: £180,000 - £185,000)
Employer's pension contributions £NIL (2017: £NIL)

Wanda Golinska (Headteacher and Trustee)
Remuneration £125,000 - £130,000 (2017: £125,000 - £130,000)
Employer's pension contributions £20,000 - £25,000 (2017: £20,000 - £25,000)
During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

Other related party transactions involving the trustees are set out in note 24.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £427 (2017 - £1,891).

14. PENSION FINANCE COST

	2018	2017
	£	£
Interest income on pension scheme assets	165,000	115,000
Interest on pension scheme liabilities	(214,000)	(169,000)
	<u>(49,000)</u>	<u>(54,000)</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

15. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2017 and 31 August 2018	53,855,593	1,487,495	851,498	34,189	231,563	56,460,338
Depreciation						
At 1 September 2017	4,884,371	1,487,495	759,500	34,189	231,563	7,397,118
Charge for the year	1,045,699	-	91,998	-	-	1,137,697
At 31 August 2018	5,930,070	1,487,495	851,498	34,189	231,563	8,534,815
Net book value						
At 31 August 2018	47,925,523	-	-	-	-	47,925,523
At 31 August 2017	48,971,222	-	91,998	-	-	49,063,220

16. DEBTORS

	2018 £	2017 £
Trade debtors	74,136	29,710
Other debtors	32,556	20,548
Prepayments and accrued income	153,944	177,738
	260,636	227,996

17. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	162,681	168,478
Other creditors	84,502	87,885
Accruals and deferred income	237,880	220,602
	485,063	476,965

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17. CREDITORS: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	114,469	23,780
Resources deferred during the year	90,722	114,469
Amounts released from previous years	(114,469)	(23,780)
	90,722	114,469
Deferred income at 31 August 2018	90,722	114,469

At the balance sheet date the academy was holding funds received in advance for 16-19 bursary income of £64,362, ESFA rates relief of £26,360.

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted funds					
Restricted Funds - all funds	8,244,598	8,888,839	(9,355,502)	-	7,777,935
Pension reserve	(2,040,000)	-	(451,000)	1,191,000	(1,300,000)
	6,204,598	8,888,839	(9,806,502)	1,191,000	6,477,935
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	49,555,426	24,711	(1,654,614)	-	47,925,523
Total restricted funds	55,760,024	8,913,550	(11,461,116)	1,191,000	54,403,458
Total of funds	55,760,024	8,913,550	(11,461,116)	1,191,000	54,403,458

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 objectives of the academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
Restricted funds					
Restricted Funds - all funds	7,640,632	10,554,672	(9,950,706)	-	8,244,598
Pension reserve	(2,606,000)	-	(408,000)	974,000	(2,040,000)
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	50,735,915	29,779	(1,210,268)	-	49,555,426

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Restricted funds					
Restricted Funds - all funds	7,640,632	19,443,511	(19,306,208)	-	7,777,935
Pension reserve	(2,606,000)	-	(859,000)	2,165,000	(1,300,000)
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	50,735,915	54,490	(2,864,882)	-	47,925,523
	<u>55,770,547</u>	<u>19,498,001</u>	<u>(23,030,090)</u>	<u>2,165,000</u>	<u>54,403,458</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	47,925,523	47,925,523
Current assets	8,262,998	-	8,262,998
Creditors due within one year	(485,063)	-	(485,063)
Provisions for liabilities and charges	(1,300,000)	-	(1,300,000)
	<u>6,477,935</u>	<u>47,925,523</u>	<u>54,403,458</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	49,063,220	49,063,220
Current assets	8,721,563	492,206	9,213,769
Creditors due within one year	(476,965)	-	(476,965)
Provisions for liabilities and charges	(2,040,000)	-	(2,040,000)
	<u>6,204,598</u>	<u>49,555,426</u>	<u>55,760,024</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(2,547,566)	(984,523)
Adjustment for:		
Depreciation charges	1,137,697	1,210,268
Decrease in stocks	-	3,136
(Increase)/decrease in debtors	(32,640)	52,730
Increase in creditors	8,098	62,011
Capital grants from DfE/ESFA	(24,711)	(29,779)
Defined benefit pension scheme cost less contributions payable	400,000	354,000
Defined benefit pension scheme finance cost	51,000	54,000
Net cash (used in)/provided by operating activities	<u>(1,008,122)</u>	<u>721,843</u>

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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	8,002,362	8,985,773
Total	<u>8,002,362</u>	<u>8,985,773</u>

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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22. PENSION COMMITMENTS (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £495,904 (2017 - £606,065).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £427,000 (2017 - £411,000), of which employer's contributions totalled £319,000 (2017 - £308,000) and employees' contributions totalled £108,000 (2017 - £103,000). The agreed contribution rates for future years are 19.20% for employers and 5.5% - 7.5% for employees.

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.

Wandsworth Council Pension Fund

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.65 %	<i>2.60 %</i>
Rate of increase in salaries	3.80 %	<i>4.20 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.70 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	24.5	<i>24.4</i>
Females	26.1	<i>26.0</i>
Retiring in 20 years		
Males	26.8	<i>26.7</i>
Females	28.5	<i>28.3</i>

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	4,607,000	4,524,000
Debt instruments	964,000	921,000
Property	236,000	187,000
Cash	38,000	42,000
Multi Asset Fund	1,040,000	546,000
	<u>6,885,000</u>	<u>6,220,000</u>
Total market value of assets	<u><u>6,885,000</u></u>	<u><u>6,220,000</u></u>

The actual return on scheme assets was £445,000 (2017 - £790,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	(719,000)	(656,000)
Interest income	165,000	115,000
Interest cost	(214,000)	(169,000)
Admin expenses	(2,000)	(6,000)
	<u>(770,000)</u>	<u>(716,000)</u>
Total	<u><u>(770,000)</u></u>	<u><u>(716,000)</u></u>
Actual return on scheme assets	<u><u>445,000</u></u>	<u><u>790,000</u></u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	8,260,000	7,672,000
Current service cost	719,000	656,000
Interest cost	214,000	169,000
Employee contributions	108,000	103,000
Actuarial gains	(911,000)	(287,000)
Benefits paid	(205,000)	(53,000)
	<u>8,185,000</u>	<u>8,260,000</u>
Closing defined benefit obligation	<u><u>8,185,000</u></u>	<u><u>8,260,000</u></u>

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22. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2018	2017
	£	£
Opening fair value of scheme assets	6,220,000	<i>5,066,000</i>
Interest income	165,000	<i>115,000</i>
Actuarial losses	280,000	<i>687,000</i>
Employer contributions	319,000	<i>308,000</i>
Employee contributions	108,000	<i>103,000</i>
Benefits paid	(205,000)	<i>(53,000)</i>
Administration expenses	(2,000)	<i>(6,000)</i>
	<hr/>	<hr/>
Closing fair value of scheme assets	6,885,000	<i>6,220,000</i>
	<hr/> <hr/>	<hr/> <hr/>

23. MEMBERS' LIABILITY

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

24. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the academy has received £112,790 (2017: £405) from Aspire, being rent received of £112,200 (2017: £100), recharges of £388 (2017: £305) for exam fees and catering costs of £203. The academy also received nursery rent of £76,007 (2017: £46,000) and a nursery loan repayment of £nil (2017: £15,338).

The academy also invoiced the London Leadership Strategy £67,222 (2017: £34,600) and invoiced Friends of Southfields £Nil (2017: £2,485). The amount invoiced to the London Leadership Strategy was for running their finance function.

No other related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 12.

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25. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
NCTL Income	111,400		128,779	
TOTAL INCOME		111,400		128,779
EXPENDITURE				
DIRECT EXPENDITURE				
Trainee costs	62,635		117,682	
TOTAL EXPENDITURE		62,635		117,682
SURPLUS FROM ALL SOURCES		<u>48,765</u>		<u>11,097</u>
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		11,097		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		<u><u>59,862</u></u>		<u><u>11,097</u></u>

