

Registered number: 08190187

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

LANDAU BAKER LTD
Chartered Accountants & Statutory Auditors
Mountcliff House
154 Brent Street
London
NW4 2DR

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 18
Independent auditors' assurance report on regularity	19 - 20
Statement of financial activities incorporating income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 42

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

S Hayday
J Moore
H Williamson-Cole

Trustees

S Hayday, Chair of Trustees²
H Williamson-Cole, Vice-chair (Parent Governor)²
Cllr T Strickland, Local Authority
M Heathcote²
V Pillinger-Cork
J Valin, Principal and Accounting Officer²
W Golinska, Headteacher²
D Collins, Staff Trustee²
J Moore, Vice Chair²
Dr. J Pearce
V Simpson²
J Clatworthy²
A Myers
C Ellis
T Minto (appointed 23 March 2016)

² Members of the Policy, Finance & Premises Committee

Company registered number

08190187

Company name

Southfields Academy

Principal and registered office

333 Merton Road, London, SW18 5JU

Chief executive officer

Jacqueline Valin

Senior management team

J Valin, Principal
W Golinska, Headteacher
L Davis, Deputy Headteacher
S Gray, Deputy Headteacher (Acting)
T Gray, Deputy Headteacher
D Holt, Deputy Headteacher
K Frusciante, Assistant Headteacher
G Legrande, Assistant Headteacher
S Goodden, Assistant Headteacher
K Marshall, Assistant Headteacher
D Whitfield, Associate Assistant Headteacher
J Draper, Associate Assistant Headteacher

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Independent auditors

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

Bankers

Lloyds Bank, 34 Moorgate, London, EC2R 6PL

Solicitors

Memery Crystal, 44 Southampton, London, WC2A 1AP

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for students aged 11 to 19 serving a large catchment area in south London and other surrounding areas. It had a roll of 1,342 in the school census in May 2016.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy is the operation of Southfields Academy to provide a broad and balanced education for students 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 academy.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the year are to provide the best possible education for our students and to continue to maintain, manage and develop Southfields Academy. The strategies for achieving this include:

Offering a balanced and inclusive curriculum

Continuing to work to the recommendations of the last Ofsted Inspection (June 2013)

Southfields Academy aims to help our students to 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 Southfields Academy 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.

c. 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 Schools
- o Support of local Primary Schools in a number of academic areas
- o Teaching School status
- o Hosting the local school nursing provision
- o Offering facilities to local community organisations

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic Report
Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

Southfields Academy opened as a converter academy in September 2012.

2015/16 was the fourth year of the Academy.

	2016
	Actual
% of students exceeding Expected Progress in English	55%
% of students exceeding Expected Progress in Mathematics	68%
5+ A*-C inc Eng & Maths	63%
Cohort	144

English Progress 8	English Attainment 8	Mathematics Progress 8	Mathematics Attainment 8
0.07	4.88 (C)	0.57	5.19 (C+)

b. GOING CONCERN

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

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. FINANCIAL REVIEW

During the period, DfE/EFA grants received totaled to £9,312,390. Other income included within restricted funds totaled to £932,873. Restricted fund expenditure totalled to £10,908,101.

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2016 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 EFA. 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.

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.

There is a period of financial uncertainty following the announcement of a planned national funding formula and this may lead to funding leaving London schools.

The Finance Director and Financial Controller have been reviewing all costs with a particular focus on non-teaching costs. Savings in staffing and non-staffing have been made and the process of review will continue. The staffing savings have been made in non-teaching posts. Non-staffing savings have been made by reviewing maintenance contracts and by installing a more efficient printing system.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. 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 minimized by the implementation of procedures for authorization of all transactions and projects.

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, 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 minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy 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 pupils.

Please refer to the Reserves Policy below for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2016.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. 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 at each Board meeting and aim to maintain the reserves level whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £55,770,547. This balance is made up of restricted funds. The amount of designations made in relation to the unrestricted reserves totals to £nil. Planned future projects are listed below:

Contribution towards community accommodation (School House Development)	£2,500,000
All weather pitch renewal (at £30k per annum from 2011)	£150,000
Changing Rooms renewal (at £20,000 per annum from 2011)	£100,000
Fitness Suite renewal (at £8k per annum from 2008)	£64,000
Maintenance of buildings (at £50k per annum since 2011)	£250,000
Curriculum Development (pupil referral unit/children not looked after)	£250,000
IT Equipment renewal (at £100k per annum since 2013)	£400,000
Building reorganization post BSF project	£500,000

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognizes a significant pension fund deficit totaling to £2,606,000. 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 realizable asset that can be released straight away and expended for the specific purposes of that fund.

f. INVESTMENTS POLICY

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Full Trustee Board. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The only investments held by Southfields Academy are in safe deposit accounts. Trustees have approved a Liquidity Policy that states that the equivalent of one month's salary should be held in a current account to be immediately available. Other deposits are held in a variety of different interest paying accounts that give access to half of the reserves with a one year period.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Structure, governance and management

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

Details of the trustees who served during the year are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

In addition to direct advertising for new Trustees, we also use Wandsworth Council's Trustee Services to assist in the recruitment of new trustees. This is done using a skills audit and identifying which skills are needed on the trustee board.

New trustees are proposed a meeting of the Full Trustee Board and elected on a show of hands.

The term of office for any trustee is 4 years. The Principal and Head Teacher's term of office runs parallel with their terms of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the trustees held 3 full trustee board meetings. In addition there were regular meetings covering finance, policy and premises, curriculum, every child matters and personnel. The training and induction provided for new trustees will depend on their experience. 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 trustees are 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.

e. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Personnel Committee is responsible for the implementation of the Whole Academy Pay Policy and this includes carrying out annual pay reviews for the Principal, Headteacher and other members of the Senior Leadership Team.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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

The full trustee board 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 Principal and Head Teacher are directly responsible for the day to day running of the academy and are 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 Principal assumes the accounting officer role.

g. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The academy is the founding member of the Southfields Academy Trust which is a separate Trust where Southfields Academy is the only member. 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 form annually.

h. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every governor 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.

a. PLANS FOR FUTURE PERIODS

The trustees of Southfields Academy have agreed to seek Multi Academy Trust status. It is expected that the conversion to MAT status will take place in 2016-17.

There are a number of other projects planned, as outlined above, but there is a level of concern surrounding the proposed national funding formula that will affect future planning until the details of the new formula are announced.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN 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
- that the Trustees have taken all the steps that 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 7 December 2016 and signed on its board's behalf by:


S Hayday
Chair of Trustees

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Southfields Academy 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 Principal, 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 Academy 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	2	3
H Williamson-Cole, Vice-chair (Parent Governor)	3	3
Cllr T Strickland, Local Authority	1	3
M Heathcote	2	3
V Pillinger-Cork	3	3
J Valin, Principal and Accounting Officer	3	3
W Golinska, Headteacher	3	3
D Collins, Staff Trustee	3	3
J Moore, Vice Chair	3	3
Dr. J Pearce	1	3
V Simpson	0	3
J Clatworthy	3	3
A Myers	3	3
C Ellis	1	3
T Minto	2	2

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

The impact of each Trustee Body Committee is reviewed and monitored through the terms of reference Document that each committee reviews and produces on an annual basis. The Trustees also intend to perform a self-evaluation review of governance in the coming year.

Southfields Academy has appointed a professional committee clerk who will work with trustees to review the workings of the committee structure and that should be completed in 2016-17.

The policy, finance and premises committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the Academy is following the EFA's financial regulations.

No significant issues to note were dealt with during the period. The committee was kept informed of, and consulted over, the reviews of staffing and non-staffing costs.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
	2	3
S Hayday	2	3
M Heathcote	2	3
H Williamson-Cole	2	3
J Moore	3	3
V Simpson	0	3
J Clatworthy	2	3
J Valin	3	3
W Golinska	2	3
D Collins	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal 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 renegotiating contracts such as cleaning and insurance
- o reviewing high-spending non-educational support budgets and expenditure, particularly IT and premises.
- o reviewing support staff posts and not filling vacancies where possible without affecting education outcomes.

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 Southfields Academy Trust for the period 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 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:

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- 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 policy, finance and premises 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 extend the contract of C Evans ACA as Financial Controller responsible for carrying out internal reviews.

The Financial Controller's role includes giving advice on financial matters and performing a range of monthly 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 bank reconciliations

On a termly basis, C Evans ACA the Financial Controller reports to the 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 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 the their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

REVIEW OF EFFECTIVENESS

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

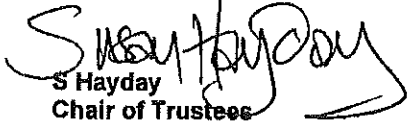
- the work of the internal auditor, the Director of Finance and the Financial Controller
- the financial management and governance self-assessment process and;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

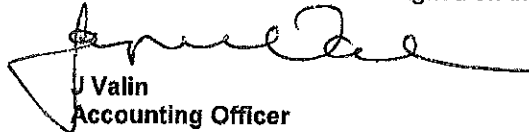
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the policy, finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the board of trustees on 7 December 2016 and signed on their behalf, by:


S Hayday
Chair of Trustees


J Valin
Accounting Officer

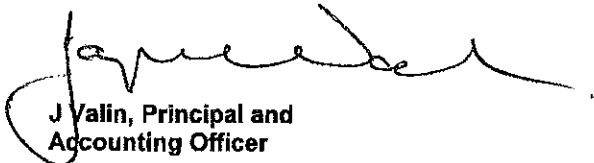
SOUTHFIELDS ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Southfields Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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 EFA.



**J Valin, Principal and
Accounting Officer**

Date: 7 December 2016

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Southfields Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

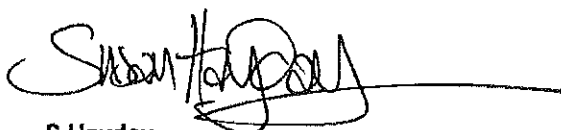
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/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 7 December 2016 and signed on its behalf by:



S Hayday
Chair of Trustees

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

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

We have audited the financial statements of Southfields Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.

Michael Durst for Landau Baker Limited

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
7 December 2016

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SOUTHFIELDS
ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southfields Academy during the year 1 September 2015 to 31 August 2016 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 Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southfields Academy and the EFA 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 Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SOUTHFIELDS ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Southfields Academy's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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.

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SOUTHFIELDS
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

7 December 2016

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

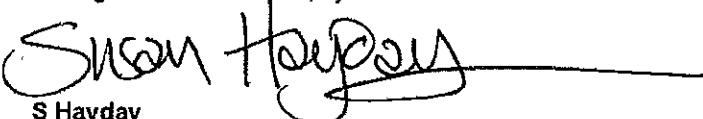
	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations and capital grants	3	-	28,058	28,058	27,979
Charitable activities	4	9,780,344	-	9,780,344	10,287,642
Other trading activities	5	849,632	-	849,632	1,570,101
Investments	6	83,241	-	83,241	71,773
TOTAL INCOME		10,713,217	28,058	10,741,275	11,957,495
EXPENDITURE ON:					
Charitable activities		10,908,101	1,453,120	12,361,221	12,385,909
TOTAL EXPENDITURE	9	10,908,101	1,453,120	12,361,221	12,385,909
NET EXPENDITURE BEFORE MATERIAL ITEMS					
		(194,884)	(1,425,062)	(1,619,946)	(428,414)
Actuarial gains/(losses) on defined benefit pension schemes	23	(1,354,000)	-	(1,354,000)	124,000
NET MOVEMENT IN FUNDS		(1,548,884)	(1,425,062)	(2,973,946)	(304,414)
RECONCILIATION OF FUNDS:					
Total funds brought forward		6,583,516	52,160,977	58,744,493	59,048,907
TOTAL FUNDS CARRIED FORWARD		5,034,632	50,735,915	55,770,547	58,744,493

SOUTHFIELDS ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08190187

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		50,273,488		51,677,933
CURRENT ASSETS					
Stocks	16	3,136		6,118	
Debtors	17	280,726		339,777	
Cash at bank and in hand		8,234,151		8,328,396	
			<u>8,518,013</u>	<u>8,674,291</u>	
CREDITORS: amounts falling due within one year	18	<u>(414,954)</u>		<u>(520,731)</u>	
NET CURRENT ASSETS			<u>8,103,059</u>		<u>8,153,560</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>58,376,547</u>		<u>59,831,493</u>
Defined benefit pension scheme liability	23		<u>(2,606,000)</u>		<u>(1,087,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>55,770,547</u>		<u>58,744,493</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	7,640,632		7,670,516	
Restricted fixed asset funds	19	50,735,915		52,160,977	
Restricted funds excluding pension liability		<u>58,376,547</u>		<u>59,831,493</u>	
Pension reserve		<u>(2,606,000)</u>		<u>(1,087,000)</u>	
Total restricted funds			<u>55,770,547</u>		<u>58,744,493</u>
TOTAL FUNDS			<u>55,770,547</u>		<u>58,744,493</u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:


S Hayday
Chair of Trustees

The notes on pages 24 to 42 form part of these financial statements.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(45,571)</u>	<u>531,370</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(48,674)</u>	<u>(490,686)</u>
Net cash used in investing activities		<u>(48,674)</u>	<u>(490,686)</u>
Change in cash and cash equivalents in the year		(94,245)	40,684
Cash and cash equivalents brought forward		<u>8,328,396</u>	<u>8,287,712</u>
Cash and cash equivalents carried forward		<u><u>8,234,151</u></u>	<u><u>8,328,396</u></u>

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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 the Department for Education 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 and include grants from the Department for Education.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 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..

1.6 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight-line basis
Plant and machinery	-	20% straight-line basis
Motor vehicles	-	20% straight-line basis
Fixtures and fittings	-	33% straight-line basis
Computer equipment	-	33% straight-line basis

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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 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.

1.12 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.

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 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2016.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. INCOME FROM CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
EFA Devolved Capital Grant	-	28,058	28,058	27,979

In 2015, of the total income from capital grants, £ NIL was to restricted funds and £27,979 was to restricted fixed asset funds.

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Southfields Academy

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants			
General Annual Grants	8,881,618	8,881,618	9,155,152
Other EFA Grants	16,500	16,500	142,302
Pupil Premium	414,272	414,272	538,014
	<u>9,312,390</u>	<u>9,312,390</u>	<u>9,835,468</u>
Other government grants			
Local Authority Grants	345,631	345,631	305,350
SEN Grants	122,323	122,323	146,824
	<u>467,954</u>	<u>467,954</u>	<u>452,174</u>
	<u>9,780,344</u>	<u>9,780,344</u>	<u>10,287,642</u>

In 2015, of the total income from charitable activities, £10,287,642 was to restricted funds.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. OTHER TRADING ACTIVITIES

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	136,526	136,526	138,082
Trips income	19,078	19,078	12,925
Letting income	54,687	54,687	159,843
Teaching school income	133,000	133,000	271,860
Other earned income	293,519	293,519	281,513
Recharges	63,191	63,191	394,222
Other income	149,350	149,350	184,756
TS Council income	281	281	126,900
	<u>849,632</u>	<u>849,632</u>	<u>1,570,101</u>

In 2015, of the total income from other trading activities, £1,570,101 was to restricted funds.

6. INVESTMENT INCOME

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	83,241	83,241	71,773
	<u>83,241</u>	<u>83,241</u>	<u>71,773</u>

In 2015, of the total investment income, £71,773 was to restricted funds.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. DIRECT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Educational equipment	208,689	208,689	285,381
ICT Learning resources	143,796	143,796	228,382
Examination fees	218,581	218,581	171,848
Bought in professional Services	22,164	22,164	42,684
Catering supplies	174,255	174,255	222,823
Insurance	63,911	63,911	78,451
Administrative supplies	20,632	20,632	54,345
Building maintenance	183,764	183,764	263,447
Grounds maintenance	10,850	10,850	13,432
Bursary payments	-	-	61,103
Other occupancy costs	6,515	6,515	29,109
Other expenses	572,197	572,197	24,904
Other staff costs	34,739	34,739	56,599
Wages and salaries	4,430,306	4,430,306	4,594,046
National insurance	382,089	382,089	389,342
Pension cost	616,454	616,454	568,763
Depreciation	1,453,120	1,453,120	1,788,021
	8,542,062	8,542,062	8,872,680

In 2015, the academy incurred the following Direct costs:
£8,872,680 in respect of Educational Operations

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. SUPPORT COST

	Governance £	Educational Operations £	Total 2016 £	Total 2015 £
Net pension interest- LGPS	-	37,000	37,000	44,000
Bought in professional Services	-	162,706	162,706	62,668
Insurance	-	2,856	2,856	4,555
Administrative supplies	-	13,298	13,298	20,430
Building maintenance	-	91,808	91,808	60,751
Grounds maintenance	-	3,198	3,198	4,630
Cleaning and caretaking	-	174,048	174,048	127,361
Water & rates	-	57,369	57,369	48,976
Energy	-	252,070	252,070	237,690
Telephone	-	24,216	24,216	33,923
Other occupancy costs	-	4,804	4,804	5,353
Other expenses	9,545	39,028	48,573	30,020
School Journey	-	16,828	16,828	12,495
Teaching school expenditure	-	148,456	148,456	141,346
Other staff costs	-	53,197	53,197	32,286
Wages and salaries	-	2,165,943	2,165,943	2,136,948
National insurance	-	143,868	143,868	108,774
Pension cost	-	418,921	418,921	401,023
	<u>9,545</u>	<u>3,809,614</u>	<u>3,819,159</u>	<u>3,513,229</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs: £9,545 (2015 - £8,050) included within the table above in respect of Educational Operations.

In 2015, the Academy incurred the following Support costs: £3,505,179 in respect of Educational Operations

9. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	5,428,849	201,129	2,912,084	8,542,062	8,872,680
Support costs	2,728,732	578,493	502,389	3,809,614	3,478,179
	<u>8,157,581</u>	<u>779,622</u>	<u>3,414,473</u>	<u>12,351,676</u>	<u>12,350,859</u>

In 2016, of the total expenditure, £12,351,676 (2015: £12,350,850) was to restricted fund.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	1,453,119	1,788,021
Auditors' remuneration - audit	4,800	4,800
	1,457,919	1,797,621

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	6,596,249	6,730,994
Social security costs	525,957	498,116
Operating costs of defined benefit pension schemes	1,035,375	969,786
	8,157,581	8,198,896

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

	2016 No.	2015 No.
Management	13	8
Teachers	98	100
Support	94	88
	205	196

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	3	3
In the band £100,001 - £200,000	2	2

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 £1,098,409 (2015: £1,195,452).

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 £180,000 - £185,000 (2015: £180,000 - £185,000)
Employer's pension contributions £nil (2015: £nil)

Wanda Golinska (Headteacher and Trustee)
Remuneration £125,000 - £130,000 (2015: £120,000 - £125,000)
Employer's pension contributions £20,000 - £25,000 (2015: £15,000 - £20,000)

Steven Sousa (Staff Trustee)
Remuneration £nil (2015: £40,000 - £45,000)
Employer's pension contributions £nil (2015: £5,000 - £10,000)

Donna Collins (Staff Trustee)
Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000)
Employer's pension contributions £nil (2015: £nil)

Tara Minto (Staff Trustee)
Remuneration £35,000 - £40,000 (2015: £nil)
Employer's pension contributions £0 - £5,000 (2015: £nil)

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

Other related party transactions involving the trustees are set out in note 27.

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 2016 was £1,891 (2015 - £1,836).

14. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	167,000	148,000
Interest on pension scheme liabilities	(204,000)	(192,000)
	(37,000)	(44,000)
	(37,000)	(44,000)

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2015	53,816,919	841,498	34,189	1,487,495	231,563	56,411,664
Additions	38,674	10,000	-	-	-	48,674
At 31 August 2016	<u>53,855,593</u>	<u>851,498</u>	<u>34,189</u>	<u>1,487,495</u>	<u>231,563</u>	<u>56,460,338</u>
Depreciation						
At 1 September 2015	2,792,981	428,900	25,643	1,254,644	231,563	4,733,731
Charge for the year	1,045,669	170,300	4,299	232,851	-	1,453,119
At 31 August 2016	<u>3,838,650</u>	<u>599,200</u>	<u>29,942</u>	<u>1,487,495</u>	<u>231,563</u>	<u>6,186,850</u>
Net book value						
At 31 August 2016	<u>50,016,943</u>	<u>252,298</u>	<u>4,247</u>	<u>-</u>	<u>-</u>	<u>50,273,488</u>
At 31 August 2015	<u>51,023,938</u>	<u>412,598</u>	<u>8,546</u>	<u>232,851</u>	<u>-</u>	<u>51,677,933</u>

16. STOCKS

	2016 £	2015 £
Catering stock	<u>3,136</u>	<u>6,118</u>

17. DEBTORS

	2016 £	2015 £
Trade debtors	83,073	124,567
Other debtors	34,281	29,965
Prepayments and accrued income	163,372	185,245
	<u>280,726</u>	<u>339,777</u>

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	-	16,126
Other taxation and social security	170,210	164,700
Other creditors	88,611	85,348
Accruals and deferred income	156,133	254,557
	414,954	520,731
	414,954	520,731
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	13,883	13,883
Resources deferred during the year	23,780	-
Amounts released from previous years	(13,883)	-
	23,780	13,883
	23,780	13,883

At the balance sheet date the academy was holding 16-19 bursary of £20,280, and rent received in advance of £3,500 from Nursery.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Restricted funds					
Restricted Funds - all funds	7,670,516	10,713,217	(10,743,101)	-	7,640,632
Pension reserve	(1,087,000)	-	(165,000)	(1,354,000)	(2,606,000)
	<u>6,583,516</u>	<u>10,713,217</u>	<u>(10,908,101)</u>	<u>(1,354,000)</u>	<u>5,034,632</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	52,160,977	28,058	(1,453,120)	-	50,735,915
Total restricted funds	<u>58,744,493</u>	<u>10,741,275</u>	<u>(12,361,221)</u>	<u>(1,354,000)</u>	<u>55,770,547</u>
Total of funds	<u>58,744,493</u>	<u>10,741,275</u>	<u>(12,361,221)</u>	<u>(1,354,000)</u>	<u>55,770,547</u>

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 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.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	50,273,488	50,273,488	51,677,933
Current assets	8,055,586	462,427	8,518,013	8,674,291
Creditors due within one year	(414,954)	-	(414,954)	(520,731)
Provisions for liabilities and charges	(2,606,000)	-	(2,606,000)	(1,087,000)
	<u>5,034,632</u>	<u>50,735,915</u>	<u>55,770,547</u>	<u>58,744,493</u>

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016	2015
	£	£
Net expenditure for the year (as per Statement of financial activities)	(1,619,946)	(428,414)
Adjustment for:		
Depreciation charges	1,453,119	1,788,021
Decrease/(increase) in stocks	2,982	(1,140)
Decrease in debtors	59,051	28,353
Decrease in creditors	(105,777)	(1,025,450)
FRS102 pension adjustment	165,000	170,000
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(45,571)	531,370
	<hr/> <hr/>	<hr/> <hr/>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	8,234,151	8,328,396
	<hr/>	<hr/>
Total	8,234,151	8,328,396
	<hr/> <hr/>	<hr/> <hr/>

23. 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 Borough 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 2016.

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.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £614,978 (2015 - £555,741).

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 a 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 2016 was £375,000 (2015 - £354,000), of which employer's contributions totalled £281,000 (2015 - £264,000) and employees' contributions totalled £94,000 (2015 - £90,000). The agreed contribution rates for future years are 19.20% for employers and 5.50 - 7.50 % 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	23.9	23.8
Females	25.4	25.2
Retiring in 20 years		
Males	26.1	25.9
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	3,833,000	3,005,000
Debt instruments	1,184,000	935,000
Property	4,000	4,000
Cash	45,000	63,000
Total market value of assets	5,066,000	4,007,000

The actual return on scheme assets was £742,000 (2015 - £173,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(409,000)	(388,000)
Net interest cost	(37,000)	(44,000)
Total	(446,000)	(432,000)
Actual return on scheme assets	742,000	173,000

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	5,094,000	4,814,000
Current service cost	409,000	388,000
Interest cost	204,000	192,000
Contributions by employees	94,000	90,000
Actuarial losses/(gains)	1,929,000	(97,000)
Benefits paid	(58,000)	(293,000)
	<u>7,672,000</u>	<u>5,094,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	4,007,000	3,773,000
Interest income	167,000	148,000
Actuarial gains and (losses)	575,000	27,000
Contributions by employer	281,000	264,000
Contributions by employees	94,000	90,000
Administration expenses	-	(2,000)
Benefits paid	(58,000)	(293,000)
	<u>5,066,000</u>	<u>4,007,000</u>

24. MATERIAL PENSION COST

The latest valuation of the Local Government Pension Scheme (LGPS) occurred on 31 August 2016. Since the date of the previous valuation, a number of changes, both legislative and economic, have occurred which has impacted upon the actuarial assumptions made. Consequently, a significant cost has been incurred in the current financial period which is reflective of these changes made. The comparative for the prior year has been restated.

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

25. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	6,708	6,240
Between 1 and 5 years	11,970	-
Total	18,678	6,240

26. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

27. RELATED PARTY TRANSACTIONS

During the year the academy has received £814 from Aspire, being rent received of £100 and recharges of £714 for website hosting and design. The academy also received nursery rent of £32,903 (2015 - £40,000).

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

SOUTHFIELDS ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The table below shows the effect of the transition to FRS 102 on the SOFA for the prior year:-

Year Ended 31 August 2015				
	Notes	As previously stated	Effect of transition	FRS 102 (as restated)
Total Income	1	£11,966,495	(£9,000)	£11,957,495
Total Expenditure	1	£12,339,909	£46,000	£12,385,909
Actuarial gains and (losses) on defined benefit schemes	1	£69,000	£55,000	£124,000

NOTES TO RECONCILIATION

1. Local Government Pension Scheme

In the prior year, there were actuarial gains recognised on the scheme of £69,000. Under FRS 102, these actuarial gains have been reclassified and shown as follows:-

- A fall in income of £9,000 resulting in no pension income in the year;
- A reduction in support staff pension costs of £46,000;
- An increase in actuarial gains of £55,000.