

Registered number: 08190187

**SOUTHFIELDS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

S Hayday  
J Moore  
H Williamson-Cole  
M Heathcote (appointed 5 April 2017)  
V Pillenger-Cork (appointed 5 April 2017)

**Trustees**

S Hayday, Chair of Trustees<sup>2</sup>  
H Williamson-Cole, Vice Chair (ceased 17 October 2017)<sup>2</sup>  
Cllr T Strickland (ceased 17 October 2017)  
M Heathcote (ceased 17 October 2017)<sup>2</sup>  
V Pillenger-Cork (ceased 17 October 2017)  
J Valin<sup>2</sup>  
W Golinska (ceased 17 October 2017)<sup>2</sup>  
D Collins (ceased 17 October 2017)<sup>2</sup>  
J Moore, Vice Chair<sup>2</sup>  
Dr. J Pearce (resigned 14 March 2017)  
V Simpson<sup>2</sup>  
J Clatworthy<sup>2</sup>  
A Myers (ceased 17 October 2017)  
C Ellis (resigned 15 January 2017)  
T Minto (ceased 17 October 2017)

<sup>2</sup> 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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers**

**Independent auditors**

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

**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 2017**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 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 1,144 in the school census in May 2017.

Southfields Academy Trust became Southfields Multi Academy Trust on 5 April 2017.

### **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 Multi Academy Trust.

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 appointed under the terms of the Articles of Association and funding agreement as follows:

- o CEO of Southfields Multi Academy Trust
- o Trustees as appointed by the members of the Southfields Multi Academy Trust

The term of office for any trustee is 4 years. The 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.

#### **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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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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 multi academy trust.

### **Organisational Structure**

The multi academy trust has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executive, led by the CEO.

The 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 multi academy trust and monitor its progress towards these objectives.

The 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 CEO is directly responsible for the day to day running of the multi academy trust and is assisted by a senior leadership team.

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

The Chief Executive assumes the accounting officer role.

### **Arrangements for setting pay and remuneration of key management personnel**

The Personnel Committee is responsible for the implementation of the Trust Pay Policy and this includes carrying out annual pay reviews for the CEO/Principal, Headteachers of schools within the Trust (currently Southfields Academy) and other members of the Senior Leadership Team.

### **Related Parties and other Connected Charities and Organisations**

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

### **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.

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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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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 year are to provide the best possible education of the students of Southfields Academy and to continue to maintain, manage and develop Southfields Academy. 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.
- o Teaching School status.
- o Hosting the local school nursing provision.
- o Offering facilities to local community organisations.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Strategic Report**

**Achievements and Performance**

**Key Performance Indicators**

Southfields Academy opened as a converter academy in September 2012. Southfields Multi Academy Trust was formed in April 2017 and Southfields Academy is currently the only member of the trust.

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

	2017		
	Target	Actual	Diff
Progress 8	0.00	+0.43	+0.43 Above average
Attainment 8	44.01	44.73	+0.72
% 9-4 in English and mathematics	50%	63%	+13%
% 9-5 in English and mathematics	35%	33%	-2%
% EBacc 9-4	14%	13%	-1%
Cohort		176	

**Ofsted – October 2017**

Southfields Academy was inspected by Ofsted on 17 October 2017. Southfields Academy was previously judged to be good in June 2013 and the short inspection confirmed that judgment. The Ofsted report highlighted the commitment that Southfields Academy demonstrates to meeting the diverse needs of its students. The report also highlighted that safeguarding is effective and embedded in the school. The report further highlighted that Southfields Academy has created a culture of mutual respect among pupils and that students had told inspectors that they felt safe. Finally the report commented that Southfields Academy has ensured that all students, whatever their background, leave the school with a secure future.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Multi 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.

**a. Financial Review**

During the period, ESFA/LA grants received totalled to £9,778,561. Other income included within restricted funds totalled to £761,770. Restricted fund expenditure totalled to £10,284,500.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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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 2017 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.

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.

A 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 paper procurement, telecoms and waste disposal. This will continue to be an on-going process and will continue if other schools join the multi academy trust as economies of scale across the trust will be sought.

### **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 Trust 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 Trust and is to be spent at the trustees' discretion in furtherance of any of the Trust'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 build and 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 £8,304,463. This balance is made up of restricted funds. The amount of designations made in relation to the unrestricted reserves totals to £NIL.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

o contribution to Southfields Academy budget from 2017-18 to 2020-21	£4,000,000
o All weather pitch renewal (at £30k per annum from 2011)	£180,000
o Changing Rooms renewal (at £20k per annum from 2011)	£120,000
o Fitness Suite Renewal (at £8k per annum from 2008)	£72,000
o Maintenance of buildings (at £50k per annum from 2011)	£300,000
o IT Equipment renewal (at £100k per annum from 2013)	£500,000

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 totalling to £2,040,000. 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 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. 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 2017.

**Plans for Future Periods**

The Trust will increase the number of Academies within its Multi-Academy Trust as and when is appropriate. This is in line with the original five-year business model that was set out to deliver a sustainable model of educational improvement.

If and when a school does join the Southfields Multi Academy Trust, this will trigger a review of the in-coming school so that it can quickly adopt the ethos and policies and procedures of 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees,, as the company directors, on 7 December 2017 and signed on its behalf by:

  
Susan Hayday  
Chair of Trustees

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**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 Principal/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, Vice Chair	3	3
Cllr T Strickland	2	3
M Heathcote	2	3
V Pillenger-Cork	1	3
J Valin, CEO/Principal and Accounting Officer	3	3
W Golinska, Headteacher Southfields Academy	2	3
D Collins	2	3
J Moore, Vice Chair	3	3
Dr. J Pearce	1	2
V Simpson	2	3
J Clatworthy	2	3
A Myers	2	3
C Ellis	0	1
T Minto	2	3

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 terms of reference document that each committee reviews and produces on a termly basis. Governance is being reviewed currently to reflect multi academy trust status and the possible impact on governance of schools joining the trust.

The Trustee Board was fully involved in, and supportive of, the move to multi academy trust status.

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

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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Hayday, Chair of Trustees	3	3
H Williamson-Cole, Chair	3	3
J Moore	2	3
M Heathcote	3	3
V Simpson	1	3
J Clatworthy	1	3
J Valin	3	3
W Golinska	2	3
D Collins	2	3

#### **Review of Value for Money**

As Accounting Officer, the Principal/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 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 Multi Academy Trust for the period 1 September 2016 to 31 August 2017 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 multi 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 2017 to 31 August 2017 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.

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**GOVERNANCE STATEMENT (continued)**

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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.

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 for carrying out internal financial review across the multi academy 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.

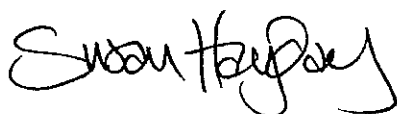
**Review of Effectiveness**

As Accounting Officer, the Principal/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:

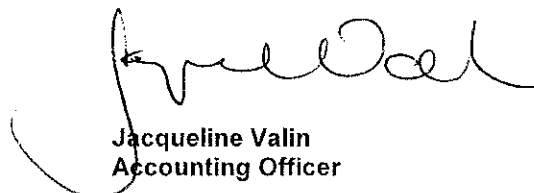
- the work of the Director of Finance and the Financial Controller;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal 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 7 December 2017 and signed on their behalf, by:



**Susan Hayday**  
Chair of Trustees



**Jacqueline Valin**  
Accounting Officer

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Southfields Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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: 7 December 2017



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**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of Southfields Multi Academy Trust 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial 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 2016 to 2017;
- 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 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 7 December 2017 and signed on its behalf by:



**Susan Hayday**  
**Chair of Trustees**

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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

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**OPINION**

We have audited the financial statements of Southfields Multi Academy Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report 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' remunerations specified by law 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's or to cease operations, or have no realistic alternative but to do so.

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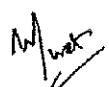
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SOUTHFIELDS MULTI ACADEMY TRUST**

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**AUDITOR'S 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

 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 2017

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

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In accordance with the terms of our engagement letter dated 4 April 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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

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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 2016 to 31 August 2017 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 2017

**SOUTHFIELDS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>					
Donations and capital grants	2	-	29,779	29,779	28,058
Charitable activities	3	9,948,710	-	9,948,710	9,969,539
Other trading activities	4	401,820	-	401,820	501,437
Investments	5	75,363	-	75,363	83,241
Teaching school		128,779	-	128,779	159,000
<b>TOTAL INCOME</b>		<b>10,554,672</b>	<b>29,779</b>	<b>10,584,451</b>	<b>10,741,275</b>
<b>EXPENDITURE ON:</b>					
Teaching school		117,682	-	117,682	226,576
Charitable activities		10,241,024	1,210,268	11,451,292	12,134,645
<b>TOTAL EXPENDITURE</b>	6	<b>10,358,706</b>	<b>1,210,268</b>	<b>11,568,974</b>	<b>12,361,221</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		195,966	(1,180,489)	(984,523)	(1,619,946)
Actuarial gains/(losses) on defined benefit pension schemes	23	974,000	-	974,000	(1,354,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>1,169,966</b>	<b>(1,180,489)</b>	<b>(10,523)</b>	<b>(2,973,946)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		5,034,632	50,735,915	55,770,547	58,744,493
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>6,204,598</b>	<b>49,555,426</b>	<b>55,760,024</b>	<b>55,770,547</b>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	15		49,063,220		50,273,488
<b>CURRENT ASSETS</b>					
Stocks	16	-		3,136	
Debtors	17	227,996		280,726	
Cash at bank and in hand		8,985,773		8,234,151	
			<u>9,213,769</u>	<u>8,518,013</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<b>(476,965)</b>		<b>(414,954)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>8,736,804</b></u>		<u><b>8,103,059</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>57,800,024</b></u>		<u><b>58,376,547</b></u>
Defined benefit pension scheme liability	23		<u><b>(2,040,000)</b></u>		<u><b>(2,606,000)</b></u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u><b>55,760,024</b></u></u>		<u><u><b>55,770,547</b></u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	19	8,244,598		7,640,632	
Restricted fixed asset funds	19	49,555,426		50,735,915	
Restricted income funds excluding pension liability		<u>57,800,024</u>		<u>58,376,547</u>	
Pension reserve		<u>(2,040,000)</u>		<u>(2,606,000)</u>	
Total restricted income funds			<u><u><b>55,760,024</b></u></u>		<u><u><b>55,770,547</b></u></u>
<b>TOTAL FUNDS</b>			<u><u><b>55,760,024</b></u></u>		<u><u><b>55,770,547</b></u></u>

The financial statements on pages 21 to 42 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

  
**S Hayday**  
**Chair of Trustees**



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**SOUTHFIELDS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<u>721,843</u>	<u>(73,629)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		-	(48,674)
Capital grants from DfE/ESFA		<u>29,779</u>	<u>28,058</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>29,779</u>	<u>(20,616)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>751,622</b>	<b>(94,245)</b>
Cash and cash equivalents brought forward		<u>8,234,151</u>	<u>8,328,396</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>8,985,773</u></u>	<u><u>8,234,151</u></u>

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 2016 to 2017 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.

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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.

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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
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

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 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.

**1.7 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.

**1.8 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.

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**SOUTHFIELDS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.9 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.

**1.10 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.

**1.11 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 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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

**SOUTHFIELDS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM CAPITAL GRANTS**

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital Grants	-	29,779	29,779	28,058
<i>Total 2016</i>	-	28,058	28,058	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

**Southfields Multi Academy Trust**

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>			
General Annual Grants	9,055,602	9,055,602	8,881,618
Other EFA Grants	24,600	24,600	16,500
Pupil Premium	360,262	360,262	414,272
	<b>9,440,464</b>	<b>9,440,464</b>	<b>9,312,390</b>
<b>Other government grants</b>			
SEN Grants	191,071	191,071	122,323
Other LA grants	161,367	161,367	345,631
	<b>352,438</b>	<b>352,438</b>	<b>467,954</b>
<b>Other funding</b>			
Other Earned Income	129,504	129,504	189,195
Other Receipts	26,304	26,304	-
	<b>155,808</b>	<b>155,808</b>	<b>189,195</b>
	<b>9,948,710</b>	<b>9,948,710</b>	<b>9,969,539</b>
<i>Total 2016</i>	9,969,539	9,969,539	

**SOUTHFIELDS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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**4. OTHER TRADING ACTIVITIES**

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering income	126,795	126,795	136,526
Trips income	18,073	18,073	19,078
Letting income	62,590	62,590	54,687
Other earned income	135,177	135,177	84,324
Recharges	8,700	8,700	63,191
Other income	50,485	50,485	143,350
TS council income	-	-	281
	<u>401,820</u>	<u>401,820</u>	<u>501,437</u>
<i>Total 2016</i>	<u>501,437</u>	<u>501,437</u>	

**5. INVESTMENT INCOME**

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	75,363	75,363	83,241
	<u>75,363</u>	<u>75,363</u>	<u>83,241</u>
<i>Total 2016</i>	<u>83,241</u>	<u>83,241</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Teaching school	115,231	-	2,451	117,682	226,576
Educational Operations:					
Direct costs	5,370,487	1,210,268	1,083,027	7,663,782	8,542,062
Support costs	2,985,336	535,909	266,265	3,787,510	3,592,583
	<u>8,471,054</u>	<u>1,746,177</u>	<u>1,351,743</u>	<u>11,568,974</u>	<u>12,361,221</u>
<i>Total 2016</i>	<u>8,256,257</u>	<u>779,622</u>	<u>3,325,342</u>	<u>12,361,221</u>	

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**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	7,663,782	3,787,510	11,451,292	12,134,645
<i>Total 2016</i>	<u>8,542,062</u>	<u>3,592,583</u>	<u>12,134,645</u>	

**8. DIRECT COSTS**

	Educational Operations £	Total 2017 £	Total 2016 £
Educational equipment	229,397	229,397	208,689
ICT Learning resources	98,272	98,272	143,796
Examination fees	168,539	168,539	218,581
Bought in professional Services	64,095	64,095	22,164
Catering supplies	176,093	176,093	174,255
Insurance	63,099	63,099	63,911
Administrative supplies	33,863	33,863	20,632
Building maintenance	150,582	150,582	183,764
Grounds maintenance	29,104	29,104	10,850
Other occupancy costs	6,403	6,403	6,515
Other expenses	20,383	20,383	572,197
Other staff costs	43,197	43,197	34,739
Wages and salaries	4,321,735	4,321,735	4,430,306
National insurance	440,384	440,384	382,089
Pension cost	608,368	608,368	616,454
Depreciation	1,210,268	1,210,268	1,453,120
	<u>7,663,782</u>	<u>7,663,782</u>	<u>8,542,062</u>
<i>At 31 August 2016</i>	<u>8,542,062</u>	<u>8,542,062</u>	



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**9. SUPPORT COSTS**

	<b>Educational Operations</b>	<b>Total 2017</b>	<i>Total 2016</i>
	£	£	£
Pension finance costs	54,000	54,000	37,000
Bought in professional Services	51,960	51,960	162,706
Insurance	5,139	5,139	2,856
Administrative supplies	15,183	15,183	13,298
Building maintenance	40,828	40,828	91,808
Grounds maintenance	6,098	6,098	3,198
Cleaning and caretaking	169,032	169,032	174,048
Water & rates	56,378	56,378	57,369
Energy	250,882	250,882	252,070
Governance costs	7,530	7,530	9,545
Telephone	13,680	13,680	24,216
Other occupancy costs	12,691	12,691	4,804
Other expenses	14,250	14,250	13,979
Bad debts	74,206	74,206	-
Other staff costs	30,317	30,317	53,197
Wages and salaries	2,145,777	2,145,777	2,134,654
National insurance	164,818	164,818	142,064
Pension cost	674,741	674,741	415,771
	<u>3,787,510</u>	<u>3,787,510</u>	<u>3,592,583</u>
<i>At 31 August 2016</i>	<u>3,592,583</u>	<u>3,592,583</u>	

**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017</b>	<i>2016</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,210,268	1,453,120
Auditors' remuneration - audit	4,800	4,800
Auditors' remuneration - other services	2,730	-
	<u>1,217,800</u>	<u>1,458,920</u>

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**11. STAFF COSTS**

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	6,467,512	6,564,960
Social security costs	605,202	524,153
Operating costs of defined benefit pension schemes	1,283,109	1,032,225
	<u>8,355,823</u>	<u>8,121,338</u>
Teaching school	115,231	134,919
	<u>8,471,054</u>	<u>8,256,257</u>

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

	2017	2016
	No.	No.
Management	14	14
Teachers	101	107
Support	101	105
	<u>216</u>	<u>226</u>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	5	5
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 £1,276,244 (2016: £1,098,409).

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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 £180,000 - £185,000 (2016: £180,000 - £185,000)  
Employer's pension contributions £NIL (2016: £NIL)

Wanda Golinska (Headteacher and Trustee)  
Remuneration £125,000 - £130,000 (2016: £120,000 - £125,000)  
Employer's pension contributions £20,000 - £25,000 (2016: £20,000 - £25,000)

Donna Collins (Staff Trustee)  
Remuneration £30,000 - £35,000 (2016: £30,000 - £35,000)  
Employer's pension contributions £NIL (2016: £NIL)

Tara Minto (Staff Trustee)  
Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000)  
Employer's pension contributions £5,000 - £10,000 (2016: £0 - £5,000)

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

Other related party transactions involving the trustees are set out in note 26.

**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 2017 was £1,891 (2016 - £1,891).

**14. PENSION FINANCE CHARGES**

	2017 £	2016 £
Interest income on pension scheme assets	115,000	167,000
Interest on pension scheme liabilities	(169,000)	(204,000)
	<u>(54,000)</u>	<u>(37,000)</u>

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**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2016 and 31 August 2017	53,855,593	851,498	34,189	1,487,495	231,563	56,460,338
<b>Depreciation</b>						
At 1 September 2016	3,838,650	599,200	29,942	1,487,495	231,563	6,186,850
Charge for the year	1,045,721	160,300	4,247	-	-	1,210,268
At 31 August 2017	4,884,371	759,500	34,189	1,487,495	231,563	7,397,118
<b>Net book value</b>						
At 31 August 2017	48,971,222	91,998	-	-	-	49,063,220
At 31 August 2016	50,016,943	252,298	4,247	-	-	50,273,488

**16. STOCKS**

	2017 £	2016 £
Catering stock	-	3,136

**17. DEBTORS**

	2017 £	2016 £
Trade debtors	29,710	83,073
Other debtors	20,548	34,281
Prepayments and accrued income	177,738	163,372
	<b>227,996</b>	<b>280,726</b>

**18. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Other taxation and social security	168,478	170,210
Other creditors	87,885	88,611
Accruals and deferred income	220,602	156,133
	<b>476,965</b>	<b>414,954</b>

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

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	23,780	13,883
Resources deferred during the year	114,469	23,780
Amounts released from previous years	(23,780)	(13,883)
	114,469	23,780
Deferred income at 31 August 2017	114,469	23,780

At the balance sheet date the academy was holding funds received in advance for 16-19 bursary income of £42,830, EFA grant income of £25,639 and NCTL grant income of £46,000.

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Restricted funds</b>					
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)
	5,034,632	10,554,672	(10,358,706)	974,000	6,204,598
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Funds - all funds	50,735,915	29,779	(1,210,268)	-	49,555,426
Total restricted funds	55,770,547	10,584,451	(11,568,974)	974,000	55,760,024
Total of funds	55,770,547	10,584,451	(11,568,974)	974,000	55,760,024

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Restricted funds</b>					
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)
	6,583,516	10,713,217	(10,908,101)	(1,354,000)	5,034,632

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**19. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	52,160,977	28,058	(1,453,120)	-	50,735,915
	<u>52,160,977</u>	<u>28,058</u>	<u>(1,453,120)</u>	<u>-</u>	<u>50,735,915</u>
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><u>58,744,493</u></u>	<u><u>10,741,275</u></u>	<u><u>(12,361,221)</u></u>	<u><u>(1,354,000)</u></u>	<u><u>55,770,547</u></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.

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 2017.

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

	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>
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>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

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

	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016
	£	£	£
Tangible fixed assets	-	50,273,488	50,273,488
Current assets	8,055,586	462,427	8,518,013
Creditors due within one year	(414,954)	-	(414,954)
Provisions for liabilities and charges	(2,606,000)	-	(2,606,000)
	<u>5,034,632</u>	<u>50,735,915</u>	<u>55,770,547</u>

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

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	<b>(984,523)</b>	<b>(1,619,946)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>1,210,268</b>	1,453,119
Decrease in stocks	<b>3,136</b>	2,982
Decrease in debtors	<b>52,730</b>	59,051
Increase/(decrease) in creditors	<b>62,011</b>	(105,777)
Capital grants from DfE/ESFA	<b>(29,779)</b>	(28,058)
Defined benefit pension scheme cost less contributions payable	<b>354,000</b>	128,000
Defined benefit pension scheme finance cost	<b>54,000</b>	37,000
<b>Net cash provided by/(used in) operating activities</b>	<b><u>721,843</u></b>	<b><u>(73,629)</u></b>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Cash in hand	<b>8,985,773</b>	8,234,151
<b>Total</b>	<b><u>8,985,773</u></b>	<b><u>8,234,151</u></b>

**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 County Council. Both are Multi-employer defined benefit pension schemes.

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**23. PENSION COMMITMENTS (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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 (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 is currently underway based on April 2016 data, 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 £606,065 (2016 - £614,978).

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](http://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



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**23. PENSION COMMITMENTS (continued)**

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 2017 was £411,000 (2016 - £375,000), of which employer's contributions totalled £308,000 (2016 - £281,000) and employees' contributions totalled £103,000 (2016 - £94,000). 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	24.4	23.9
Females	26.0	25.4
Retiring in 20 years		
Males	26.7	26.1
Females	28.3	27.7

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**23. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	4,524,000	3,833,000
Debt instruments	921,000	1,184,000
Property	187,000	4,000
Cash	42,000	45,000
Multi Asset Fund	546,000	-
Total market value of assets	<u>6,220,000</u>	<u>5,066,000</u>

The actual return on scheme assets was £790,000 (2016 - £742,000).

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

	2017 £	2016 £
Current service cost	(656,000)	(409,000)
Interest income	115,000	167,000
Interest cost	(169,000)	(204,000)
Admin expenses	(6,000)	-
Total	<u>(716,000)</u>	<u>(446,000)</u>
Actual return on scheme assets	<u>790,000</u>	<u>742,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	7,672,000	5,094,000
Current service cost	656,000	409,000
Interest cost	169,000	204,000
Employee contributions	103,000	94,000
Actuarial (gains)/losses	(287,000)	1,929,000
Benefits paid	(53,000)	(58,000)
Closing defined benefit obligation	<u>8,260,000</u>	<u>7,672,000</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	5,066,000	4,007,000
Interest income	115,000	167,000
Actuarial losses	687,000	575,000
Employer contributions	308,000	281,000
Employee contributions	103,000	94,000
Benefits paid	(53,000)	(58,000)
Administration expenses	(6,000)	-
	<u>6,220,000</u>	<u>5,066,000</u>
Closing fair value of scheme assets	<u>6,220,000</u>	<u>5,066,000</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	-	6,708
Between 1 and 5 years	-	11,970
	<u>-</u>	<u>18,678</u>
Total	<u>-</u>	<u>18,678</u>

**25. 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.

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**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year the academy has received £405 from Aspire, being rent received of £100 and recharges of £305 for exam fees. The academy also received nursery rent of £46,000 (2016 - £32,903) and a nursery loan repayment of £15,338 (2016: £0).

The academy also invoiced the London Leadership Strategy £34,600 (2016: £0) and invoiced Friends of Southfields £2,485 (2016: £0). 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.