

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Hayday J Moore H Williamson-Cole M Heathcote V Pillinger-Cork
Trustees	S Hayday, Chair of Trustees J Moore J Valin L Buckley (appointed) G Dryja (appointed) W Golinska D Rix S Tyler A Martinowsky (appointed 1 July 2019) A Gardner S Taylor
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 D Rix, Headteacher Linden Lodge School M Gaweda, Head of School Linden Lodge School D Shaw, Deputy Headteacher Linden Lodge P Pearce, Deputy Headteacher Linden Lodge
Independent auditors	Landau Baker Ltd Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR

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

Bankers	Lloyds Bank 34 Moorgate London EC2R 6PL
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

SOUTHFIELDS MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. In 2019/20, the trust operated one secondary academy and one special school, both 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 1,315 in the school census in October 2020.

Linden Lodge School joined the Southfields Multi Academy Trust on 1 September 2018. Linden Lodge School provides a high quality educational experience for visually impaired pupils, including those who are multi-disabled visually impaired. Linden Lodge is recognized as a specialist Regional Centre for children aged between two and nineteen. The school also supports pupils with profound and multiple learning difficulties. Linden Lodge School is funded for 145 places.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and articles of Association is the primary governing document of the academy.

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

The charitable company is known as Southfields MAT and both schools within the MAT are known by their own names; Linden Lodge School and Southfields Academy.

Details of the Trustees who served during the , and to the date these accounts are approved 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. 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.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the articles of association and funding agreement:

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

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

e. Policies adopted for the induction and training of Trustees

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

f. Organisational structure

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

The board of trustees has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the 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 trust and is assisted by a senior leadership team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the trusts 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.

g. 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 Linden Lodge School and Southfields Academy) and other members of the Senior Leadership Teams for each academy.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year -
Full-time equivalent employee number -

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	419
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

i. Related parties and other connected charities and organisations

Southfields Academy was the founding member of the Southfields Multi Academy Trust which is a separate Trust where Southfields Academy and Linden Lodge School are the two members. 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

Linden Lodge School has a strong relationship with the charity below that exists to raise funds for Linden Lodge School.

The Linden Lodge Charitable Trust Charity No. 1168169

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

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

As a Trust we continue to work with our employees to take on board and address the views or concerns raised by the workforce. This is done in a variety of ways, focus groups, staff voice and questionnaires.

The workforce is consulted on the school improvement plans, it is shared at the start of each academic year and available all year round. Staff feedback is welcomed.

The workforce is asked to share their views through questionnaires about changes to practice or process. The most recent example staff were asked "Do you feel the trust has made significant changes in the response to COVID-19?" (1 = no changes 5 = lots of changes)

The feedback from staff was very positive. Staff were also asked to comment on what have we done well and what areas we could improve on.

Grade	%
5	48.23
4	37.65
3	11.76
2	2.35

We are a disability confident committed employer (level 1) and strive to become a disability confident employer (level 2). We have a number of staff with disabilities and are proud of the diversity we have within the workforce.

k. Engagement with suppliers, customers and others in a business relationship with the academy

The trust is aware of the need to foster good business relations with suppliers, customers and other stakeholders. Suppliers will be paid on time and will be appointed fairly. Customers will receive the service that they have paid for. Other stakeholders are particularly important in an education setting and will include students, parents, local authorities and government departments. Trustees will always have regard for these stakeholders and they will form the backdrop to all discussions within the trust.

Objectives and activities

a. Objects and aims

The principal object and activity of the Southfields Multi Academy Trust is to provide an umbrella organization that supports the very different educational aims of Linden Lodge School and Southfields Academy.

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

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

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

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

Objectives and activities (continued)

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 trust will be at the heart of their community promoting community cohesion and sharing facilities; the basis for admitting students to the academies, 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.

b. Objectives, strategies and activities

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

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

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

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

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

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

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 a trust 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 Supporting parents of children with special needs.
- o Teaching School status.
- o Offering facilities to local community organisations.

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

Strategic report

Achievements and performance

Key Performance Indicators

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

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

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

a. Key performance indicators

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

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

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

	2019		
	Target	Actual	Diff.
Progress 8	0.00	+0.55	+0.55
Attainment 8	30.93	44.86	+5.19
% 9 to 4 in English and mathematics	56%	66%	+10%
% 9 to 5 in English and mathematics	28%	46%	+18%
% EBacc 9 to 4	8.8%	16.6%	+7.8%
Cohort		169	

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

Strategic report (continued)

Achievements and performance (continued)

Summer 2020

End of EYFS Progress Data - Summer 2020						
Progress	Pupil #	%	EAL #	%	Pupil Premium #	%
Exceeded	6	75%	0	n/a	4	100%
Expected	2	25%	0	n/a	0	0%
Below Expected	0	0%	0	n/a	0	0%
Total	8		0		4	
Expected & Exceeded Progress	100%		n/a		100%	

End of KS1 Progress Data - Summer 2020						
Progress	Pupil #	%	EAL #	%	Pupil Premium #	%
Exceeded	2	66.7%	0	n/a	1	100%
Expected	1	33.3%	0	n/a	0	0%
Below Expected	0	0.0%	0	n/a	0	0%
Total	3		0		1	
Expected & Exceeded Progress	100%		n/a		100%	

End of KS2 Progress Data - Summer 2020						
Progress	Pupil #	%	EAL #	%	Pupil Premium #	%
Exceeded	3	75%	0	n/a	1	50%
Expected	1	25%	0	n/a	1	50%
Below Expected	0	0%	0	n/a	0	0%
Total	4		0		2	
Expected & Exceeded Progress	100%		n/a		100%	

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

End of KS3 Progress Data - Summer 2020						
Progress	Pupil #	%	EAL #	%	Pupil Premium #	%
Exceeded	3	20%	1	33.3%	2	25.0%
Expected	11	73%	2	66.7%	5	62.5%
Below Expected	1	7%	0	0.0%	1	12.5%
Total	15		3		8	
Expected & exceeded progress	93%		100%		87.5%	

End of KS4 Progress Data - Summer 2020						
Progress	Pupil #	%	EAL #	%	Pupil Premium #	%
Exceeded	4	57%	1	100%	1	50%
Expected	3	43%	0	0%	1	50%
Below Expected	0	0%	0	0%	0	0%
Total	7		1		2	
Expected & exceeded progress	100%		100%		100%	

End of KS5 Progress Data - Summer 2020						
Progress	Pupil #	%	EAL #	%	Pupil Premium #	%
Exceeded	3	27.3%	0	n/a	0	n/a
Expected	8	72.7%	0	n/a	0	n/a
Below Expected	0	0.0%	0	n/a	0	n/a
Total	11		0		0	
Expected & exceeded progress	100%		n/a		n/a	

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.

In doing so, the board of trustees has taken into account the financial effects of Covid-19 and the on-going effects of providing education during the pandemic. Covid-19 has led to greater costs and a reduction in income but it is not a threat to the existence of the trust as trustees and officers have recognized the risks and are taking actions to mitigate them.

c. Promoting the success of the company

The trust has due regard to the need to maintain a high reputation for the trust. Keeping a high reputation will ensure the on-going viability of the trust as it will attract more students and funding. The trust will always be mindful of its reputation in the local community as it is vital for schools to be at the centre of their communities.

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

Strategic report (continued)

a. Financial review

During the period, ESFA/LA grants received totalled to £18,845,561. Other income included within restricted funds totalled to £2,444,668. Restricted fund expenditure totalled to £22,573,943.

Most of Southfields Academy's, and a smaller proportion of Linden Lodge School'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 2020 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The majority of Linden Lodge's income is received from local authorities in the form of top-up funding for named students. Southfields Academy receives a lower amount from local authorities. Local authority funding is shown as restricted funds in the Statement of financial activities.

The trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), 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 trust 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 trust's schools 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.

Linden Lodge School, as a special school, is mainly reliant on funding from local authorities. This funding can be volatile and cashflow can be a risk for all special school academies as top-up funding is paid on invoice. To mitigate the cashflow risk, Linden Lodge School has employed a specialist in special needs recoupment.

The MAT CEO and Director of Finance have continued to review costs and significant savings have been found in staffing, and non-staffing areas such as gas and electricity, cleaning, paper procurement, photocopying, telecoms and waste disposal. This will continue to be an on-going process.

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

b. 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 trust'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 £8,406,542. This balance is made up of restricted funds. The amount of designations made in relation to the unrestricted reserves totals to £nil.

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

o Southfields Academy All weather pitch renewal	£600,000
o Southfields Academy Changing Rooms renewal)	£200,000
o Southfields Academy Fitness Suite Renewal	£150,000
o Southfields Academy Maintenance of buildings	£500,000
o Linden Lodge School Maintenance of buildings	£500,000
o Linden Lodge School Boiler Renewal	£200,000
o Trust IT Renewal	£400,000
o Southfields Academy Swimming pool repairs	£500,000
o Linden Lodge School Swimming pool repairs	£500,000

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.

c. Investment policy

It should be noted that the Multi Academy Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at academy level, which is agreed by the local Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academies to additional risk. The only investments held by Southfields Academy are in safe deposit accounts. Trustees have agreed a Liquidity Policy that states that the equivalent of one month's salary should be held in a current account so as to be immediately available. This policy has also been applied to Linden Lodge School. Linden Lodge School does not currently hold any funds on deposit.

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TRUSTEES' REPORT (CONTINUED)
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d. Principal risks and uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the trust'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 trust'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 trust 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, safeguarding 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 2020.

Fundraising

Linden Lodge School raises funds through a charity called The Linden Lodge Charitable Trust. The Trust raises significant amounts of money which it then passports to Linden Lodge School for specific projects. Linden Lodge School and The Linden Lodge Charitable Trust have also jointly procured a professional fundraiser to raise sums of money for specific projects such as a new playground.

Southfields Academy raises funds through a charity called Friends of Southfields Academy. A fundraising event for former students had been arranged for May 2020 but will now be rearranged for 2021.

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TRUSTEES' REPORT (CONTINUED)
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Fundraising (continued)

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	1,963,634.34
Energy consumption break down (kWh) (optional) • gas, • electricity, • transport fuel	
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas consumption	21.53
Owned transport – mini-buses	0.80
Total scope 1	22.33
<u>Scope 2 emissions in metric tonnes CO₂e</u>	
Purchased electricity	
<u>Scope 3 emissions in metric tonnes CO₂e</u>	429.32
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO₂e	451.65
<u>Intensity ratio</u>	0.31
Tonnes CO ₂ e per pupil	

Quantification and Reporting Methodology:-

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government’s Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We are installing smart meters across all sites and have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

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

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

Funds held as custodian 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)
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Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 2 December 2020 and signed on its behalf by:

S Hayday
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Southfields Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 including once in a virtual meeting because of Covid-19. .

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
J Moore	2	3
J Valin (CEO and Accounting Officer)	3	3
L Buckley	3	3
G Dryja	3	3
W Golinska	3	3
D Rix	3	3
S Tyler	3	3
A Martinowsky	3	3
A Gardner	2	3
S Taylor (appointed 1 November 2019)	3	3

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

The Policy, Finance and Premises committee is a sub-committee of the main board of trustees. The meetings are held as part of the MAT Trustee Board. One of its key roles is to ensure the Trust is following the ESFA's funding regulations and guidance. This committee incorporated the audit committee function for the Trust.

Trustees received financial reports monthly during the year 2019-20.

No significant issues to note were dealt with during the year.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- o continuing to review staffing levels and only filling vacancies where it was necessary for educational or operational reasons.
- o Continuing to review non-staffing contracts to find savings in areas such as water, paper, printing, cleaning and other utilities.
- o Reviewing ways to increase income into the Trust.

Areas of Linden Lodge School spend that have been reviewed this year include printing costs and cleaning. It is expected that significant savings can be found.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
setting targets to measure financial and other performance
clearly defined purchasing (asset purchase or capital investment) guidelines
delegation of authority and segregation of duties; and
identification and management of risks.

SOUTHFIELDS MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of Trustees considered the need for a specific internal audit function and decided to use Landau Baker to carry out additional checks during 2019-20. Following an update to the Academies Financial Handbook, trustees have appointed a separate firm called Academy Audit to carry out the internal audit function from September 2020.

On a termly basis, the Director of Finance 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 Director of Finance 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 Director of Finance has delivered their schedule of work as planned and has provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required.

Review of effectiveness

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

- the work of the Director of Finance
- the work of the external auditors;
- 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 Finance and Operations 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 2 December 2020 and signed on their behalf by:

S Hayday
Chair of Trustees

J Valin
Accounting Officer

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

J Valin
Accounting Officer
Date: 2 December 2020

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

The Trustees (who act as trustees 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 2 December 2020 and signed on its behalf by:

S Hayday
Chair of Trustees

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

give a true and fair view of the state of the academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Jake Lew (Senior statutory auditor)

for and on behalf of

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

2 December 2020

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 April 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southfields Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Southfields Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southfields Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Southfields Multi Academy Trust and 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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

Reporting Accountant

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 2 December 2020

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and capital grants	3	-	36,230	36,230	29,455,923
Charitable activities		20,073,375	-	20,073,375	16,992,391
Teaching schools		122,997	-	122,997	130,553
Other trading activities		904,055	-	904,055	1,259,935
Investments	6	70,802	-	70,802	54,532
Total income		21,171,229	36,230	21,207,459	47,893,334
Expenditure on:					
Charitable activities	8	22,386,210	1,240,620	23,626,830	21,308,613
Teaching schools		19,701	-	19,701	48,176
Total expenditure		22,405,911	1,240,620	23,646,531	21,356,789
Net expenditure		(1,234,682)	(1,204,390)	(2,439,072)	26,536,545
Transfers between funds	19	(169,598)	169,598	-	-
Net movement in funds before other recognised gains/(losses)		(1,404,280)	(1,034,792)	(2,439,072)	26,536,545
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	26	(1,342,000)	-	(1,342,000)	(688,000)
Net movement in funds		(2,746,280)	(1,034,792)	(3,781,072)	25,848,545
Reconciliation of funds:					
Total funds brought forward		3,947,542	76,304,461	80,252,003	54,403,458
Net movement in funds		(2,746,280)	(1,034,792)	(3,781,072)	25,848,545
Total funds carried forward		1,201,262	75,269,669	76,470,931	80,252,003

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	75,269,669	76,304,461
		<u>75,269,669</u>	<u>76,304,461</u>
Current assets			
Debtors	15	1,157,981	961,700
Cash at bank and in hand		8,173,106	8,492,406
		<u>9,331,087</u>	<u>9,454,106</u>
Creditors: amounts falling due within one year	16	(1,152,825)	(975,564)
Net current assets		8,178,262	8,478,542
Total assets less current liabilities		83,447,931	84,783,003
Creditors: amounts falling due after more than one year	17	-	(72,000)
Net assets excluding pension liability		83,447,931	84,711,003
Defined benefit pension scheme liability	26	(6,977,000)	(4,459,000)
Total net assets		76,470,931	80,252,003
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	75,269,669	76,304,461
Restricted income funds	19	8,178,262	8,406,542
		<u>83,447,931</u>	<u>84,711,003</u>
Restricted funds excluding pension asset	19	83,447,931	84,711,003
Pension reserve	19	(6,977,000)	(4,459,000)
Total restricted funds	19	76,470,931	80,252,003
Unrestricted income funds	19	-	-
Total funds		76,470,931	80,252,003

SOUTHFIELDS MULTI ACADEMY TRUST
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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 26 to 53 were approved by the Trustees, and authorised for issue on 02 December 2020 and are signed on their behalf, by:

S Hayday
Chair of Trustees

The notes on pages 30 to 53 form part of these financial statements.

SOUTHFIELDS MULTI ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(77,702)	360,816
Cash flows from investing activities	23	(169,598)	(34,772)
Cash flows from financing activities	22	(72,000)	164,000
Change in cash and cash equivalents in the year		(319,300)	490,044
Cash and cash equivalents at the beginning of the year		8,492,406	8,002,362
Cash and cash equivalents at the end of the year	24, 25	8,173,106	8,492,406

The notes on pages 30 to 53 form part of these financial statements

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

Legacies

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

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

These 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.

1.5 Tangible fixed assets

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

SOUTHFIELDS MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Freehold property	- 2% straight-line basis
Long-term leasehold property	- 10% straight-line basis
Furniture and fixtures	- 33% straight-line basis
Plant and machinery	- 20% straight-line basis
Computer equipment	- 20%-33% straight-line basis
Motor vehicles	- 10% 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.

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.11 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	-	-	-	1,901,368
Transfer from Local Authority on Conversion	-	-	-	27,441,118
Capital Grants	-	36,230	36,230	113,437
	-	36,230	36,230	29,455,923
<i>Total 2019</i>	<i>(94,514)</i>	<i>29,550,437</i>	<i>29,455,923</i>	

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FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grants	9,595,166	9,595,166	9,015,218
Other DfE/ESFA Grants	1,114,959	1,114,959	549,461
	<u>10,710,125</u>	<u>10,710,125</u>	<u>9,564,679</u>
Other government grants			
Other Government Grants	1,478,955	1,478,955	1,163,651
Local Authority Grants	6,426,721	6,426,721	6,146,336
	<u>7,905,676</u>	<u>7,905,676</u>	<u>7,309,987</u>
Other Income			
Other Funding	61,677	61,677	117,725
Other earned income	1,395,897	1,395,897	-
	<u>20,073,375</u>	<u>20,073,375</u>	<u>16,992,391</u>
<i>Total 2019</i>	<u><u>16,992,391</u></u>	<u><u>16,992,391</u></u>	

5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Catering income	112,895	112,895	165,403
Trips income	9,694	9,694	32,461
Letting income	311,365	311,365	374,958
Other income	470,101	470,101	687,113
	<u>904,055</u>	<u>904,055</u>	<u>1,259,935</u>
<i>Total 2019</i>	<u><u>1,259,935</u></u>	<u><u>1,259,935</u></u>	

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6. Investment income

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank Interest	70,802	70,802	54,532
<i>Total 2019</i>	<u>54,532</u>	<u>54,532</u>	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Educational Operations:					
Direct costs	9,306,980	-	964,580	10,271,560	10,053,162
Allocated support costs	9,859,827	1,505,975	1,989,468	13,355,270	11,255,451
Teaching school	-	-	19,701	19,701	48,176
	<u>19,166,807</u>	<u>1,505,975</u>	<u>2,973,749</u>	<u>23,646,531</u>	<u>21,356,789</u>
<i>Total 2019</i>	<u>16,648,724</u>	<u>1,388,808</u>	<u>3,319,257</u>	<u>21,356,789</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	23,626,830	23,626,830	21,308,613
<i>Total 2019</i>	<u>21,308,613</u>	<u>21,308,613</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	10,271,560	13,355,270	23,626,830	21,308,613
<i>Total 2019</i>	<u>10,053,162</u>	<u>11,255,451</u>	<u>21,308,613</u>	

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff Costs	9,092,772	9,092,772	8,115,943
Teaching Supply Costs	214,208	214,208	619,490
Staff Development and Training	128,786	128,786	118,837
Educational Supplies	329,993	329,993	669,601
Examination Fees	176,165	176,165	185,114
Technology Costs	128,472	128,472	167,381
Educational Consultancy	89,795	89,795	96,000
Other Direct Costs	111,369	111,369	80,796
	<u>10,271,560</u>	<u>10,271,560</u>	<u>10,053,162</u>
<i>Total 2019</i>	<u>10,053,162</u>	<u>10,053,162</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension Finance Cost	74,000	74,000	59,000
Staff Costs	7,711,700	7,711,700	7,104,999
Depreciation	1,240,620	1,240,620	1,240,671
Support Staff Supply Costs	2,148,127	2,148,127	808,292
Recruitment and Support	45,485	45,485	48,088
Maintenance of Premises and Equipment	464,554	464,554	417,910
Cleaning	505,102	505,102	346,945
Rent and Rates	124,055	124,055	105,775
Energy	412,264	412,264	437,922
Insurance	83,351	83,351	80,256
Security and Transport	23,618	23,618	16,677
Catering	209,775	209,775	310,346
Governance Costs	194,520	194,520	77,997
Other Support Costs	118,099	118,099	200,573
	<u>13,355,270</u>	<u>13,355,270</u>	<u>11,255,451</u>
<i>Total 2019</i>	<u>11,255,451</u>	<u>11,255,451</u>	

10. Net expenditure

Net expenditure for the year includes:

	2020 £	<i>2019 £</i>
Depreciation of tangible fixed assets	1,240,620	1,240,671
Fees paid to auditors for:		
- audit	9,930	9,930
- other services	4,165	4,165
	<u>14,115</u>	<u>14,126</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£	£
Wages and salaries	12,167,678	<i>11,232,347</i>
Social security costs	1,160,989	<i>1,126,737</i>
Pension costs	3,475,805	<i>2,861,858</i>
	16,804,472	<i>15,220,942</i>
Supply teaching costs	214,208	<i>619,490</i>
Support staff supply costs	2,148,127	<i>808,292</i>
	19,166,807	<i>16,648,724</i>

b. Staff numbers

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

	2020	<i>2019</i>
	No.	No.
Management	17	<i>17</i>
Teachers	144	<i>131</i>
Support	264	<i>265</i>
	425	<i>413</i>

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11. Staff (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	6	8
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	3	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
In the band £140,001 - £150,000	1	1
In the band £190,001 - £200,000	-	1
In the band £200,001 - £210,000	1	-

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £2,018,879 (2019 £1,090,016).

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. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
J Valin	Remuneration	200,000	195,000 -
		205,000	200,000
	Pension contributions paid	NIL	NIL
W Golinska	Remuneration	140,000 -	140,000 -
		145,000	145,000
	Pension contributions paid	30,000 -	20,000 -
		35,000	25,000
Deborah Rix	Remuneration	120,000 -	115,000 -
		125,000	120,000
	Pension contributions paid	25,000 -	15,000 -
		30,000	20,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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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 2020 was £393 (2019 - £427). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	53,855,593	29,474,000	2,506,291	244,063	86,079,947
Additions	51,916	-	-	153,912	205,828
At 31 August 2020	<u>53,907,509</u>	<u>29,474,000</u>	<u>2,506,291</u>	<u>397,975</u>	<u>86,285,775</u>
Depreciation					
At 1 September 2019	6,975,739	168,460	2,397,224	234,063	9,775,486
Charge for the year	1,045,618	168,460	24,042	2,500	1,240,620
At 31 August 2020	<u>8,021,357</u>	<u>336,920</u>	<u>2,421,266</u>	<u>236,563</u>	<u>11,016,106</u>
Net book value					
At 31 August 2020	<u><u>45,886,152</u></u>	<u><u>29,137,080</u></u>	<u><u>85,025</u></u>	<u><u>161,412</u></u>	<u><u>75,269,669</u></u>
At 31 August 2019	<u><u>46,879,854</u></u>	<u><u>29,305,540</u></u>	<u><u>109,067</u></u>	<u><u>10,000</u></u>	<u><u>76,304,461</u></u>

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

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	296,442	457,726
Other debtors	675,986	216,805
Prepayments and accrued income	185,553	287,169
	1,157,981	961,700
	1,157,981	961,700

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	72,000	92,000
Trade creditors	351,266	27,689
Other taxation and social security	305,266	280,093
Other creditors	190,430	187,436
Accruals and deferred income	233,863	388,346
	1,152,825	975,564
	1,152,825	975,564
	2020 £	2019 £
Deferred income at 1 September 2019	85,019	90,722
Resources deferred during the year	5,511	85,019
Amounts released from previous periods	(85,019)	(90,722)
	5,511	85,019
	5,511	85,019

At the balance sheet date the academy was holding funds received in advance for 16-19 bursary income.

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

	2020 £	2019 £
Other loans	-	72,000
	-	72,000

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

18. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	8,173,106	8,492,406

Financial assets measured at fair value through income and expenditure comprise cash at bank.

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	8,406,542	9,644,249	(9,702,931)	(169,598)	-	8,178,262
Pupil Premium	-	404,732	(404,732)	-	-	-
Other ESFA Funding	-	878,310	(878,310)	-	-	-
LA and Other Government Grants	-	7,905,676	(7,905,676)	-	-	-
Other Funding	-	61,677	(61,677)	-	-	-
General Funds	-	2,444,668	(2,444,668)	-	-	-
Pension reserve	(4,459,000)	-	(1,176,000)	-	(1,342,000)	(6,977,000)
	3,947,542	21,339,312	(22,573,994)	(169,598)	(1,342,000)	1,201,262
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	76,304,461	-	(1,240,620)	169,598	-	75,233,439
Devolved Formula Capital	-	36,230	-	-	-	36,230
	76,304,461	36,230	(1,240,620)	169,598	-	75,269,669
Total Restricted funds	80,252,003	21,375,542	(23,814,614)	-	(1,342,000)	76,470,931

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

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

Restricted fixed assets funds have been increased by capital grants provided by DfE and reduced by depreciation charges.

Restricted general fund have been increased by revenue grants provided by DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Soutfields Academy	8,035,250	7,938,666
Linden Lodge School	143,012	467,876
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	8,178,262	8,406,542
Restricted fixed asset fund	75,269,669	76,304,461
Pension reserve	(6,977,000)	(4,459,000)
	<hr/>	<hr/>
Total	76,470,931	80,252,003
	<hr/> <hr/>	<hr/> <hr/>

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

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	<i>Total 2019</i> £
Soutfields Academy	6,008,563	2,869,222	144,490	2,865,252	11,887,527	10,507,763
Linden Lodge School	3,298,417	6,990,605	323,512	73,933	10,686,467	9,608,355
Academy	9,306,980	9,859,827	468,002	2,939,185	22,573,994	20,116,118

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

	<i>Balance at 1 September 2018</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2019</i> £
Restricted general funds						
Restricted Funds - all funds	7,777,935	-	-	-	-	7,777,935
General Annual Grant (GAG)	7,777,935	9,015,218	(16,095,374)	(69,172)	-	628,607
Pupil Premium	-	397,720	(397,720)	-	-	-
Other ESFA Funding	-	151,741	(151,741)	-	-	-
LA and Other Government Grants	-	7,579,987	(7,579,987)	-	-	-
Other Funding	-	117,725	(117,725)	-	-	-
General Funds	-	2,400,506	(2,400,506)	-	-	-
Pension reserve	(1,300,000)	(1,320,000)	(1,151,000)	-	(688,000)	(4,459,000)
	14,255,870	18,342,897	(27,894,053)	(69,172)	(688,000)	3,947,542

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19. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	47,925,523	-	-	-	-	47,925,523
Transfer on conversion	-	29,437,000	(1,240,671)	69,172	-	28,265,501
Devolved Formula Capital	-	113,437	-	-	-	113,437
	<u>47,925,523</u>	<u>29,550,437</u>	<u>(1,240,671)</u>	<u>69,172</u>	<u>-</u>	<u>76,304,461</u>
Total Restricted funds	<u>62,181,393</u>	<u>47,893,334</u>	<u>(29,134,724)</u>	<u>-</u>	<u>(688,000)</u>	<u>80,252,003</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	-	75,269,669	75,269,669
Current assets	9,331,087	-	9,331,087
Creditors due within one year	(1,152,825)	-	(1,152,825)
Provisions for liabilities and charges	(6,977,000)	-	(6,977,000)
Total	<u>1,201,262</u>	<u>75,269,669</u>	<u>76,470,931</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	76,304,461	76,304,461
Current assets	9,454,106	-	9,454,106
Creditors due within one year	(975,564)	-	(975,564)
Creditors due in more than one year	(72,000)	-	(72,000)
Provisions for liabilities and charges	(4,459,000)	-	(4,459,000)
Total	<u>3,947,542</u>	<u>76,304,461</u>	<u>80,252,003</u>

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	<u>(2,439,072)</u>	<u>26,536,545</u>
Adjustments for:		
Depreciation	1,240,620	1,240,671
Capital grants from DfE and other capital income	(36,230)	(113,437)
Transfer from local authority on conversion	-	(29,471,400)
Defined benefit pension scheme obligation inherited	-	1,320,000
Defined benefit pension scheme cost less contributions payable	1,102,000	1,092,000
Defined benefit pension scheme finance cost	74,000	59,000
Increase in debtors	(196,281)	(805,053)
Increase in creditors	177,261	502,490
Net cash (used in)/provided by operating activities	<u>(77,702)</u>	<u>360,816</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	(72,000)	164,000
Net cash (used in)/provided by financing activities	(72,000)	164,000

23. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(205,828)	(148,209)
Capital grants from DfE Group	36,230	113,437
Net cash used in investing activities	(169,598)	(34,772)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	8,173,106	8,492,406
Total cash and cash equivalents	8,173,106	8,492,406

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	8,492,406	(319,300)	8,173,106
Debt due within 1 year	(92,000)	20,000	(72,000)
Debt due after 1 year	(72,000)	72,000	-
	8,328,406	(227,300)	8,101,106

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26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2020.

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

Teachers' Pension Scheme

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

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

The Teachers' Pension Budgeting and Valuation Account

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

employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,472,603 (2019 - £963,596).

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

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

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,113,000 (2019 - £1,062,000), of which employer's contributions totalled £833,000 (2019 - £800,000) and employees' contributions totalled £ 279,000 (2019 - £262,000). The agreed contribution rates for future years are 19.2 per cent for employers and 7.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.65
Rate of increase for pensions in payment/inflation	2.25	2.15
Discount rate for scheme liabilities	1.60	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	23.4	23.4
Females	24.8	24.8
<i>Retiring in 20 years</i>		
Males	25.1	25.1
Females	26.7	26.7

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26. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	7,796,000	8,545,000
Debt instruments	2,086,000	1,804,000
Property	1,092,000	634,000
Cash	671,000	143,000
Multi Asset Fund	1,182,000	1,626,000
Total market value of assets	12,827,000	12,752,000

The actual return on scheme assets was £581,000 (2019 - £1262,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(2,025,000)	(1,686,000)
Past service cost	(111,000)	(206,000)
Interest income	245,000	292,000
Interest cost	(319,000)	(351,000)
Administrative expenses	(5,000)	(5,000)
Total amount recognised in the Statement of financial activities	(2,215,000)	(1,956,000)

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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	17,211,000	8,185,000
Conversion of academy trusts	-	4,963,000
Current service cost	2,025,000	1,686,000
Interest cost	319,000	351,000
Employee contributions	279,000	262,000
Actuarial losses/(gains)	347,000	1,658,000
Benefits paid	(111,000)	(95,000)
Past service costs	-	201,000
Effects of non-routine settlements	(266,000)	-
At 31 August	19,804,000	17,211,000

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

	2020 £	2019 £
At 1 September	12,752,000	6,885,000
Conversion of academy trusts	-	3,643,000
Interest income	245,000	292,000
Actuarial (losses)/gains	(995,000)	970,000
Employer contributions	833,000	800,000
Employee contributions	279,000	262,000
Benefits paid	(111,000)	(95,000)
Effects of non-routine settlements	(171,000)	-
Administration expenses	(5,000)	(5,000)
At 31 August	12,827,000	12,752,000

27. 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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28. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £89,863 (2019: £87,402) and disbursed £89,863 (2019: £67,782) in respect of the fund for Southfields Academy. No amounts are included within other creditors (2019: £19,620) as owed to the ESFA in respect of this fund for Southfields Academy at year end. In addition, the trust received £13,911 (2019: £1,037) in respect of the fund for Linden Lodge and disbursed £8,400 (2019: £nil). £5,511 (2019: £1,037) has been included within accruals and deferred income as owed to the ESFA in respect of this fund for Linden Lodge at year end.

30. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
NCTL Income	122,997		130,553	
Total income		122,997		130,553
Expenditure				
Direct expenditure				
Teaching school salaries and other expenditure	19,701		48,176	
Total expenditure		19,701		48,176
Surplus from all sources		103,296		82,377
Teaching school balances at 1 September 2019		131,142		48,765
Teaching school balances at 31 August 2020		234,438		131,142