

Company Registration Number: 08190187 (England & Wales)

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 50

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members:	S Hayday J Moore H Williamson-Cole M Heathcote V Pillinger-Cork
Trustees:	S Hayday – Chair of Trustees J Moore J Valin E Buckley G Dryja (retired 31 August 2021) W Golinska D Rix S Tyler S Taylor K Travers (appointed 1 September 2021)
Company Registration Number:	08190187 (England and Wales)
Company Name:	Southfields Multi Academy Trust
Registered Office:	333 Merton Road, London SW18 5JU
Senior Management Team:	J Valin, MAT CEO/Principal Southfields Academy D Rix, Headteacher Linden Lodge School W Golinska, Headteacher Southfields Academy S Elson, MAT Director of Finance
Independent Auditor:	Landau Baker Limited Mountcliff House 154 Brent Street London NW4 2DR
Bankers:	Lloyds Bank 34 Moorgate London EC2R 6PL
Solicitors:	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

In 2020/21, 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 1,316 in the school census in October 2021.

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 153 places.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Southfields Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Southfields Multi Academy Trust and the two schools with the Trust operate under their own names: Linden Lodge School and Southfields Academy.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on the preceding pages of this document.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

- The MAT Chief Executive Officer
- Up to 9 trustees, appointed by the members
- A secondary school headteacher from within the Trust
- A special school headteacher from within the Trust
- 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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

Organisational Structure

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives 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.

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.

Trade Union Facility Time

There was no Trade Union Facility Time with the Trust in 2020-21.

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

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, Governance and Management (continued)

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 carried out in a variety of ways, focus groups, staff voice and questionnaires.

The results of the most recent staff survey are shown below:

(please tick one box for each question)	Yes	No	Not Sure
I feel the school takes positive action on staff health and wellbeing	90%	2.5%	5%
I am aware of how and where to access guidance, counselling and further support	72.5	27.5%	
I have a good work life balance	85%	15%	
I have a good relationship with my line manager	100 %	0%	
I am treated with dignity and respect	97.5%	0%	
I feel my views are considered when changes are planned	75%		25% Said wouldn't really apply

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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, Governance and Management (continued)

Engagement with Suppliers, Customers and Other in a Business Relationship with the Trust.

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

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.

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.

Objectives, Strategies and Activities

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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic Report - Achievements and Performance (continued)

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

Linden Lodge School joined the MAT on 1 September 2021.

The tables below under Key Performance Indicators give an indication of the educational performance for each school in 2020-21.

Key Performance Indicators

Linden Lodge School

School Effectiveness

Linden Lodge is continually committed to raising standards and has many outstanding features. We know this because of the achievement made resulting from individualised programmes built on careful multi-disciplinary assessment and practice set within 4 pathways of pre, semi, formal and MSI curricula which provide a broad and culturally rich experience.

We are a specialist provider of education for pupils with vision and multi-sensory impairment. We are joined with Wandsworth Sensory Support Service and provide an integrated specialist Sensory Support continuum of provision through our peripatetic service, Family Centre, resource bases and special school.

97 % of pupils achieved at or above their expected level in core areas last year.

100 % of pupils made the transition to the post school setting that met their and their parental needs.

Our reading programmes show that pupils make at least good progress in relation to their starting points. Results in English were judged understanding in relation to the complexity of pupils and barriers to learning attributable to their disabilities:

A Level (1 candidate)

WJEC A level English Language B

WJEC A level English Literature B

GCSE results

GCSE AQA English Language 2 candidates both Pass at level 5

GCSE AQA English Literature 1 candidate Pass at Level 6

GCSE AQA Media 1 candidate Pass at Level 6

KS4 Results

AQA Functional Skills Level 1 Pass (1 candidate)

AQA Functional Skills Level 2 Pass (1 candidate)

Entry Level Step up to English Bronze to Gold

15 candidates - 15 passes.

100% of pupils had identified college placements post 19, 19/20 of students and families achieved their first choice.

Our communication programme has been a further priority area since the last inspection. Pupils' achievement in Communication is Since the last inspection we now directly employ 7 Speech and language therapists who work closely with teachers to deliver integrated Speech and language programmes.

Key Stage 2:

Pre-formal Pathway:

- 80% of pupils (8) made expected and exceeding progress in My Communication

Semi-formal Pathway:

100% of pupils (8) made expected and exceeding progress in My Communication MSI Pathway:

- 100% (6) of pupils made expected and exceeding progress in Communication

Key Stage 4:

Pre-formal Pathway:

- 100% of pupils (7) made expected and exceeding progress in My Communication

Semi-formal Pathway:

- 100% of pupils (10) made expected and exceeding progress in My Communication

MSI Pathway:

- 100% of pupils (3) made exceeding progress in Communication

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic Report - Achievements and Performance (continued)

Our latest assessments show that ALL pupils, regardless of characteristics or background, are equally likely to achieve at or above their moderated and challenging targets across a range of indicators-physical, intellectual, emotional and social.

97% of pupils (39) qualified for Pupil Premium made expected and exceeding progress. 40 students, 95%, are either making expected progress or exceeding. An 18% increase since February 2021. Those not making expected progress, 2 students, have been either self-isolating for long periods of time and/or have a health condition that has impacted on learning.

- 19 students, 45%, are making expected progress. An 8% increase since February 2021.
- 21 students, 50% are exceeding progress. A 10% increase since February 2021.

Our latest parental and pupil surveys show that pupils feel safe, enjoy school and that they and their families feel supported in their learning and whole development. Engagement with families has progressed substantially since the last inspection. We have a new Family Centre on site (passivhaus) and have been awarded Parent Teacher Association of the Year.

100% pupils reported they feel safe (July 2021)

100% of parents surveyed felt their children were safe (75% very safe)

78.8% of staff reported that pupils were safe (other responses point to the vulnerability of pupils as a result of their complexity regardless of context)

We have a cycle of monitoring and evaluation which includes scrutiny of documents and pupil work: data analysis: lesson observations both by peers and by senior leaders: discussions with staff both informal and through the coaching and mentoring process: reporting points and links with governors.

Overall 65% of observed lesson were good and 35% of lessons were outstanding. Robust action plans led by leaders are in place for teachers who need support to raise teaching standards.

One of our teachers has gained the London Teacher of the Year Award for Raising Aspirations

Our school development plan is contributed to by everyone and captures the important developments from our rigorous self-evaluation

We are especially proud of:

The quality of resource, environment and expertise of staff

The relationships between staff and between staff and pupils

Our high expectations and outcomes

The rich and enjoyable day-to-day experience of the school

The high engagement of pupils

Our work with families and our community links

Southfields Academy

	KS4 2021		
	Target	Actual	Difference
Progress 8	0.00	+0.46	+0.46
Attainment 8	35.3	37.94	+2.64
% 9 to 4 in English and mathematics	51%	52%	+1%
% 9 to 5 in English and mathematics	31%	35%	+4%
% EBacc 9 to 4	7.77%	11.85%	+4.08%
Cohort		135	

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 ongoing 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.

Strategic Report - Financial Review

Finance Review

During the period, ESFA/LA grants received totalled to £19,984,279. Other income included within restricted funds totalled to £2,529,037. Restricted fund expenditure totalled to £23,766,970.

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 2021 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 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

Overall, the 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 energy utilities, cleaning, paper procurement, photocopying, telecoms and waste disposal. This will continue to be an on-going process.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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:

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

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

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £8,465,608. This balance includes unrestricted funds (free reserves) of £NIL, which are considered appropriate for the Academy Trust, and restricted funds of £8,465,608 and a pension deficit of £8,589,000.

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 Renewals and Repairs	£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

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £8,589,000 (2020: £6,977,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The 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 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 Trust due to the recognition of the deficit.

Investment Policy

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

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021.

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 2022.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 Sept 2020 – 31 Aug 2021	1 Sept 2019 – 31 Aug 2020
Energy consumption used to calculate emissions (kWh)	5,598,553.85	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	658.21	21.53
Owned transport – mini-busses	0.22	0.80
Total scope 1	658.43	22.33
<u>Scope 2 – emissions in metric tonnes CO2e</u>		
Purchased electricity	425.41	12.86
<u>Scope 3 – emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	220.44	429.32
Total gross emissions in metric tonnes CO2e	1,083.84	451.65
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.74	0.31

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Qualification 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 2021 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 have installed a new boiler at Linden Lodge School which will be much more energy efficient.

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 Trustee on Behalf of Others

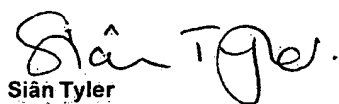
The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 1 December 2021 and signed on the board's behalf by:


Siân Tyler
Trustee

SOUTHFIELDS MULTI ACADEMY TRUST
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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 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, all virtually due to the Covid 19 pandemic.

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 the Trust)	3	3
J Valin (CEO and Accounting Officer)	3	3
D Rix	3	3
W Golinska	3	3
E Buckley	3	3
S Tyler	3	3
G Dryja	3	3
A Martinowsky	2	3
A Gardner	2	3
S Taylor	2	3
J Moore	3	3

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 six times during the year 2020-21 as well as for each of the three MAT Trustee Board meetings.

Review of value for money

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

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

- continuing to review staffing levels and only filling vacancies where it was necessary for educational, operational or safeguarding reasons.
- Continuing to review all non-staffing contracts as they fall due.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Reviewing means of increasing income to both schools in the trust.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance 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
- identification and management of risks.

The board of trustees has decided:

- to buy-in an internal audit service from Academy Audit.

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

- Academy Audit carried out termly reviews and covered the following areas:
- Governance, Financial Management & Compliance.
- Banking.
- Payroll.
- Fixed assets.
- Procurement.
- Special Payments.
- Management Accounts.
- Leases.
- Other areas as appropriate.

On a termly basis, the Director of Finance reports to the board of trustees, through the finance and operations committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed,

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

Review of effectiveness

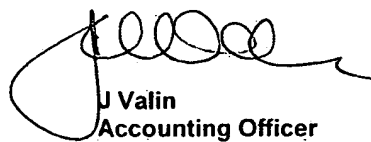
As accounting officer, the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 1 December 2021 and signed on their behalf by:


S Hayday
Chair of Trustees


J Valin
Accounting Officer

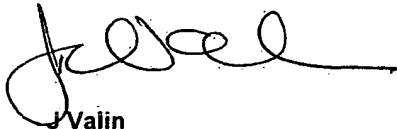
SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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 2020.

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 2020.

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



J. Valin

Accounting Officer

Date: 1 December 2021

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who 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:

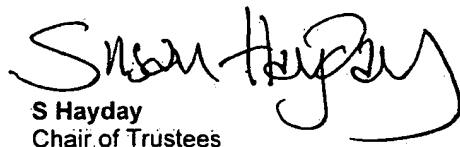
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 1 December 2021 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 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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

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

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

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

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)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

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)**

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.

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also inquired about management's own identification and assessment of the risks of irregularities. We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and Charities SORP Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

The audit engagement team analysed the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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)**

M Durst for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

1 December 2021

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 AND 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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Ltd

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 1 December 2021

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and capital grants	3	-	371,696	371,696	36,230
Charitable activities	4	21,283,979	-	21,283,979	20,073,375
Teaching schools	28	48,534	-	48,534	122,997
Other trading activities	5	1,164,211	-	1,164,211	904,055
Investments	6	16,592	-	16,592	70,802
Total income		22,513,316	371,696	22,885,012	21,207,459
Expenditure on:					
Charitable activities	8	23,483,998	1,232,534	24,716,532	23,626,830
Teaching schools		282,972	-	282,972	19,701
Total expenditure		23,766,970	1,232,534	24,999,504	23,646,531
Net movement in funds before other recognised gains/(losses)		(1,253,654)	(860,838)	(2,114,492)	(2,439,072)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	24	(71,000)	-	(71,000)	(1,342,000)
Net movement in funds		(1,324,654)	(860,838)	(2,185,492)	(3,781,072)
Reconciliation of funds:					
Total funds brought forward		1,201,262	75,269,669	76,470,931	80,252,003
Net movement in funds		(1,324,654)	(860,838)	(2,185,492)	(3,781,072)
Total funds carried forward		(123,392)	74,408,831	74,285,439	76,470,931

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

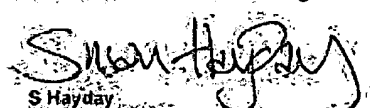
The notes on pages 26 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	74,408,831	75,269,669
		<u>74,408,831</u>	<u>75,269,669</u>
Current assets			
Debtors	15	786,384	1,157,981
Cash at bank and in hand		9,237,926	8,173,106
		<u>10,024,310</u>	<u>9,331,087</u>
Creditors: amounts falling due within one year	16	(1,558,702)	(1,152,825)
Net current assets		<u>8,465,608</u>	<u>8,178,262</u>
Total assets less current liabilities		<u>82,874,439</u>	<u>83,447,931</u>
Net assets excluding pension liability		<u>82,874,439</u>	<u>83,447,931</u>
Defined benefit pension scheme liability	24	(8,589,000)	(6,977,000)
Total net assets		<u><u>74,285,439</u></u>	<u><u>76,470,931</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	74,408,831	75,269,669
Restricted income funds	17	8,465,608	8,178,262
		<u>82,874,439</u>	<u>83,447,931</u>
Restricted funds excluding pension asset	17	82,874,439	83,447,931
Pension reserve	17	(8,589,000)	(6,977,000)
Total restricted funds	17	<u>74,285,439</u>	<u>76,470,931</u>
Unrestricted income funds	17	<u>-</u>	<u>-</u>
Total funds		<u><u>74,285,439</u></u>	<u><u>76,470,931</u></u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue on 01 December 2021 and are signed on their behalf, by:


S Hayday
 Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	1,133,676	(77,702)
Cash flows from investing activities	21	3,144	(169,598)
Cash flows from financing activities	20	(72,000)	(72,000)
Change in cash and cash equivalents in the year		1,064,820	(319,300)
Cash and cash equivalents at the beginning of the year		8,173,106	8,492,406
Cash and cash equivalents at the end of the year	22, 23	<u>9,237,926</u>	<u>8,173,106</u>

The notes on pages 26 to 50 form part of these financial statements

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate 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.

• **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 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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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:

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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

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 note 16. 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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	94,979	94,979	-
Capital Grants	276,717	276,717	36,230
	<u>371,696</u>	<u>371,696</u>	<u>36,230</u>
<i>Total 2020</i>	<u>36,230</u>	<u>36,230</u>	

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

4. Funding for the academy's educational activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grants	10,287,506	10,287,506	9,595,166
Other DfE/ESFA grants			
Pupil Premium	412,132	412,132	404,732
Others	681,824	681,824	765,820
	-	11,381,462	10,765,718
Other Government grants			
Local Authority Grants	6,622,859	6,622,859	6,426,721
Other Government Grants	1,504,244	1,504,244	1,478,955
	8,127,103	8,127,103	7,905,676
Other income from the academy's educational activities	1,299,700	1,299,700	1,393,624
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	137,960	137,960	-
Other DfE/ESFA COVID-19 funding	337,754	337,754	8,357
	475,714	475,714	8,357
	21,283,979	21,283,979	20,073,375
Total 2020	20,073,375	20,073,375	

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

The academy trust received £137,960 of funding for catch-up premium and costs incurred in respect of this funding totalled £137,960.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

5. Income from other trading activities

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Catering income	80,227	80,227	112,895
Trips income	3,648	3,648	9,694
Letting income	321,128	321,128	311,365
Other income	759,208	759,208	470,101
	<u>1,164,211</u>	<u>1,164,211</u>	<u>904,055</u>
<i>Total 2020</i>	<u>904,055</u>	<u>904,055</u>	

6. Investment income

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank Interest	16,592	16,592	70,802
<i>Total 2020</i>	<u>70,802</u>	<u>70,802</u>	

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational Activities:					
Direct costs	9,980,464	-	882,731	10,863,195	10,271,560
Allocated support costs	10,179,232	1,996,995	1,677,110	13,853,337	13,355,270
Teaching school	-	-	282,972	282,972	19,701
	<u>20,159,696</u>	<u>1,996,995</u>	<u>2,842,813</u>	<u>24,999,504</u>	<u>23,646,531</u>
Total 2020	<u>19,166,807</u>	<u>1,505,975</u>	<u>2,973,749</u>	<u>23,646,531</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	<u>24,716,532</u>	<u>24,716,532</u>	<u>23,626,830</u>
Total 2020	<u>23,626,830</u>	<u>23,626,830</u>	

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	10,863,195	13,853,337	24,716,532	23,626,830
<i>Total 2020</i>	<u>10,271,560</u>	<u>13,355,270</u>	<u>23,626,830</u>	

Analysis of direct costs

	Educational Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff Costs	9,634,172	9,634,172	9,092,772
Teaching Supply Costs	90,711	90,711	214,208
Staff Development and Training	63,677	63,677	128,786
Educational Supplies	446,424	446,424	329,993
Examination Fees	138,448	138,448	176,165
Technology Costs	232,361	232,361	128,472
Educational Consultancy	116,865	116,865	89,795
Other Direct Costs	140,537	140,537	111,369
	<u>10,863,195</u>	<u>10,863,195</u>	<u>10,271,560</u>
<i>Total 2020</i>	<u>10,271,560</u>	<u>10,271,560</u>	

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension Finance Cost	104,000	104,000	74,000
Staff Costs	6,807,080	6,807,080	6,514,700
Depreciation	1,229,390	1,229,390	1,240,620
Non Cash Pension Costs	1,437,000	1,437,000	1,197,000
Support Staff Supply Costs	1,935,152	1,935,152	2,148,127
Recruitment and Support	45,679	45,679	45,485
Maintenance of Premises and Equipment	726,873	726,873	464,554
Cleaning	404,839	404,839	505,102
Rent and Rates	107,584	107,584	124,055
Energy	499,100	499,100	412,264
Insurance	75,491	75,491	83,351
Security and Transport	39,160	39,160	23,618
Catering	209,980	209,980	209,775
Governance Costs	122,818	122,818	194,520
Other Support Costs	109,191	109,191	118,099
	<u>13,853,337</u>	<u>13,853,337</u>	<u>13,355,270</u>
<i>Total 2020</i>	<u>13,355,270</u>	<u>13,355,270</u>	

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

10. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	1,229,390	1,240,620
Fees paid to auditors for:		
- audit	9,950	9,930
- other services	4,870	4,165

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,594,046	12,167,678
Social security costs	1,269,238	1,160,989
Pension costs	2,577,968	2,278,805
	<u>16,441,252</u>	<u>15,607,472</u>
Supply teaching costs	90,711	214,208
Non cash pension costs	1,437,000	1,197,000
Support staff supply costs	1,935,152	2,148,127
	<u><u>19,904,115</u></u>	<u><u>19,166,807</u></u>

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

b. Staff numbers

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

	2021 No.	2020 No.
Management	24	17
Teachers	143	144
Support	300	264
	<u><u>467</u></u>	<u><u>425</u></u>

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

11. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	8	6
In the band £70,001 - £80,000	7	5
In the band £80,001 - £90,000	3	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 £200,001 - £210,000	-	1
In the band £210,001 - £220,000	1	-

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page . 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 £2,455,634 (2020 £2,018,879).

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:

		2021 £	2020 £
J Valin	Remuneration	210,000 -	200,000 -
		215,000	205,000
	Pension contributions paid	NIL	NIL
W Golinska	Remuneration	145,000 -	140,000 -
		150,000	145,000
	Pension contributions paid	35,000 -	30,000 -
		40,000	35,000
Deborah Rix	Remuneration	125,000 -	120,000 -
		130,000	125,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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 2021 was £378 (2020 - £393). 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 2020	53,907,509	29,474,000	2,506,291	397,975	86,285,775
Additions	-	258,599	-	109,953	368,552
At 31 August 2021	<u>53,907,509</u>	<u>29,732,599</u>	<u>2,506,291</u>	<u>507,928</u>	<u>86,654,327</u>
Depreciation					
At 1 September 2020	8,021,357	336,920	2,421,266	236,563	11,016,106
Charge for the year	998,945	168,460	24,043	37,942	1,229,390
At 31 August 2021	<u>9,020,302</u>	<u>505,380</u>	<u>2,445,309</u>	<u>274,505</u>	<u>12,245,496</u>
Net book value					
At 31 August 2021	<u>44,887,207</u>	<u>29,227,219</u>	<u>60,982</u>	<u>233,423</u>	<u>74,408,831</u>
At 31 August 2020	<u>45,886,152</u>	<u>29,137,080</u>	<u>85,025</u>	<u>161,412</u>	<u>75,269,669</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	255,284	296,442
Other debtors	322,964	675,986
Prepayments and accrued income	208,136	185,553
	<u>786,384</u>	<u>1,157,981</u>

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	-	72,000
Trade creditors	796,578	351,266
Other taxation and social security	335,592	305,266
Other creditors	271,777	190,430
Accruals and deferred income	154,755	233,863
	<u>1,558,702</u>	<u>1,152,825</u>
	2021 £	2020 £
Deferred income at 1 September 2020	5,511	85,019
Resources deferred during the year	5,930	5,511
Amounts released from previous periods	(5,511)	(85,019)
	<u>5,930</u>	<u>5,511</u>

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

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	8,178,262	10,287,506	(10,000,160)	-	8,465,608
Pupil Premium	-	412,132	(412,132)	-	-
Other ESFA Funding	-	681,824	(681,824)	-	-
LA and Other Government Grants	-	8,127,103	(8,127,103)	-	-
General Funds	-	2,529,037	(2,529,037)	-	-
Other DfE/ESFA COVID-19 Funding	-	337,754	(337,754)	-	-
Catch-up premium	-	137,960	(137,960)	-	-
Pension reserve	(6,977,000)	-	(1,541,000)	(71,000)	(8,589,000)
	<u>1,201,262</u>	<u>22,513,316</u>	<u>(23,766,970)</u>	<u>(71,000)</u>	<u>(123,392)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	<u>75,269,669</u>	<u>371,696</u>	<u>(1,232,534)</u>	<u>-</u>	<u>74,408,831</u>
Total Restricted funds	<u><u>76,470,931</u></u>	<u><u>22,885,012</u></u>	<u><u>(24,999,504)</u></u>	<u><u>(71,000)</u></u>	<u><u>74,285,439</u></u>

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

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 2021.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

17. Statement of funds (continued)

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

	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	-	765,820	(765,820)	-	-	-
LA and Other Government Grants	-	7,905,676	(7,905,676)	-	-	-
General Funds	-	2,610,478	(2,610,478)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	8,357	(8,357)	-	-	-
Pension reserve	(4,459,000)	-	(1,176,000)	-	(1,342,000)	(6,977,000)
	<u>3,947,542</u>	<u>21,339,312</u>	<u>(22,573,994)</u>	<u>(169,598)</u>	<u>(1,342,000)</u>	<u>1,201,262</u>
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
	<u>76,304,461</u>	<u>36,230</u>	<u>(1,240,620)</u>	<u>169,598</u>	<u>-</u>	<u>75,269,669</u>
Total Restricted funds	<u>80,252,003</u>	<u>21,375,542</u>	<u>(23,814,614)</u>	<u>-</u>	<u>(1,342,000)</u>	<u>76,470,931</u>

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Southfields Academy	8,872,828	8,035,250
Linden Lodge School	(407,220)	143,012
Total before fixed asset funds and pension reserve	8,465,608	8,178,262
Restricted fixed asset fund	74,408,831	75,269,669
Pension reserve	(8,589,000)	(6,977,000)
Total	74,285,439	76,470,931

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Linden Lodge School	407,220

The 2020/21 deficit for Linden Lodge School can be attributed to unbudgeted expenditure on agency staff and urgent building repairs. Both areas have been scrutinised for 2021/22 and budgets have been adjusted as necessary.

The academy is taking the following action to return the academy to surplus:

Income has been increased by raising top-up fees where necessary and more stringent financial controls are in place to ensure that only necessary expenditure is carried out. It is expected that Linden Lodge School will breakeven or generate a small surplus in 2021/22.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

17. 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 2021 £	Total 2020 £
Southfields Academy	6,183,159	3,092,741	356,099	1,614,915	11,246,914	11,887,527
Linden Lodge School	3,797,305	7,086,491	345,638	1,496,766	12,726,200	10,709,384
Consolidation adjustments	-	-	-	(203,000)	(203,000)	(191,000)
Academy	9,980,464	10,179,232	701,737	2,908,681	23,770,114	22,405,911

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	74,408,831	74,408,831
Current assets	10,024,310	-	10,024,310
Creditors due within one year	(1,558,702)	-	(1,558,702)
Provisions for liabilities and charges	(8,589,000)	-	(8,589,000)
Total	(123,392)	74,408,831	74,285,439

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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	1,201,262	75,269,669	76,470,931

19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(2,114,492)	(2,439,072)
Adjustments for:		
Depreciation	1,229,390	1,240,620
Capital grants from DfE and other capital income	(371,696)	(36,230)
Defined benefit pension scheme cost less contributions payable	1,437,000	1,102,000
Defined benefit pension scheme finance cost	104,000	74,000
Decrease/(increase) in debtors	371,597	(196,281)
Increase in creditors	477,877	177,261
Net cash provided by/(used in) operating activities	1,133,676	(77,702)

20. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(72,000)	(72,000)
Net cash used in financing activities	(72,000)	(72,000)

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

21. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(368,552)	(205,828)
Capital grants from DfE Group	371,696	36,230
Net cash provided by/(used in) investing activities	3,144	(169,598)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	9,237,926	8,173,106
Total cash and cash equivalents	9,237,926	8,173,106

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	8,173,106	1,064,820	9,237,926
Debt due within 1 year	(72,000)	72,000	-
	8,101,106	1,136,820	9,237,926

24. 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 2021:

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

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

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.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 £1,603,623 (2020 - £1,472,603).

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.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

24. 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 2021 was £1,153,000 (2020 - £1,113,000), of which employer's contributions totalled £867,000 (2020 - £833,000) and employees' contributions totalled £ 286,000 (2020 - £279,000). 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 1.10 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

Wandsworth Council Pension Fund

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.3	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.3
Females	25.7	25.9

Share of scheme assets

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

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

	2021 £	2020 £
Equities	10,155,000	7,796,000
Debt instruments	2,578,000	2,086,000
Property	1,601,000	1,092,000
Cash	636,000	671,000
Multi Asset Fund	1,551,000	1,182,000
Total market value of assets	16,521,000	12,827,000

The actual return on scheme assets was £2,642,000 (2020 - £581,000).

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

	2021 £	2020 £
Current service cost	(2,299,000)	(2,025,000)
Past service cost	-	(111,000)
Interest income	89,000	245,000
Interest cost	(193,000)	(319,000)
Administrative expenses	(5,000)	(5,000)
Total amount recognised in the Statement of financial activities	(2,408,000)	(2,215,000)

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

	2021 £	2020 £
At 1 September	19,804,000	17,211,000
Current service cost	2,299,000	2,025,000
Interest cost	318,000	319,000
Employee contributions	286,000	279,000
Actuarial losses/(gains)	2,499,000	347,000
Benefits paid	(96,000)	(111,000)
Effects of non-routine settlements	-	(266,000)
At 31 August	25,110,000	19,804,000

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	12,827,000	12,752,000
Interest income	214,000	245,000
Actuarial gains/(losses)	2,428,000	(995,000)
Employer contributions	867,000	833,000
Employee contributions	286,000	279,000
Benefits paid	(96,000)	(111,000)
Effects of non-routine settlements	-	(171,000)
Administration expenses	(5,000)	(5,000)
At 31 August	16,521,000	12,827,000

25. Members' liability

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

26. 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.

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

27. 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 2021 the trust received £98,159 (2020: £89,683) and disbursed £98,159 (2020: £89,863) in respect of the fund for Southfields Academy. No amounts are included within other creditors as owed to the ESFA in respect of this fund for Southfields Academy at year end. In addition, the trust received £17,933 (2020: £13,911) in respect of the fund for Linden Lodge and disbursed £18,000 (2020: £8,400). £5,444 (2020: £5,511) has been included within accruals and deferred income as owed to the ESFA in respect of this fund for Linden Lodge at year end.

SOUTHFIELDS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

28. Teaching school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Direct income				
NCTL Income	48,534		122,997	
Total income		48,534		122,997
Expenditure				
Direct expenditure				
Teaching school salaries and other expenditure	282,972		19,701	
Total expenditure		282,972		19,701
(Deficit)/surplus from all sources		(234,438)		103,296
Teaching school balances at 1 September 2020		234,438		131,142
Teaching school balances at 31 August 2021		-		234,438