

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**SOUTHFIELD PRIMARY SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	K Binley R Scott-Gordon S Mills N Garrett
<b>Trustees</b>	M Green (appointed 13 May 2021) R Gallyot S Blackbond A Eaton T Hughes L Weaver N Garrett, Chair of Trustees
<b>Company registered number</b>	08252316
<b>Company name</b>	Southfield Primary School
<b>Principal and registered office</b>	Banbury Road Brackley Northamptonshire NN13 6AU
<b>Head teacher</b>	M Green, Interim Headteacher
<b>Senior management team</b>	Dr A Kay, Interim Accounting Officer M Green, Interim Headteacher
<b>Independent auditors</b>	Cooper Parry Group Limited Chartered Accountants Statutory Auditors Park View One Central Boulevard Blythe Valley Park Solihull B90 8BG
<b>Bankers</b>	Lloyds Bank Plc 30 Market Place Brackley Northamptonshire NN13 7BA
<b>Solicitors</b>	Spratt Endicott Limited 46 Bures Square Brackley Northamptonshire NN13 7FA

**SOUTHFIELD PRIMARY SCHOOL**  
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**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 from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust operates as an Academy Trust for pupils aged 3 to 11 serving a catchment area in Brackley, Northamptonshire, with a pupil capacity of 420 and 127 pupils currently enrolled based on the October 2021 Census.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **a. Constitution**

The Academy Trust is a charitable 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 are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Southfield Primary Academy Trust.

Details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

### **b. Members' liability**

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

### **c. Trustees' indemnities**

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members and Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

### **d. Method of recruitment and appointment or election of Trustees**

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- up to 2 Trustees who are appointed by the Members;
- up to 2 Parent Trustees who are elected by parents of registered pupils at the Academy Trust;
- any number of Staff Trustees who are appointed by the Members (provided that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees);
- up to 5 Community Trustees who are appointed by the Board of Trustees;
- up to 3 co-opted Trustees who are appointed by the Board of Trustees;
- the Headteacher who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher where they have agreed to be appointed as a Trustee or where they are automatically appointed as a Trustee under the Articles of Association. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

**e. Policies adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates.. Advantage is taken of specific courses offered by various external organisations as appropriate. A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

**f. Organisational structure**

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet 8 times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

The Trustees have taken the decision that all duties will be undertaken at full Board level. The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments, considering any proposals for changes to the status or constitution of the Academy Trust and its committee structure, appointment or removal of the Chair and / or Vice Chair, appoint and / or consider the performance management of the Headteacher.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher.

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the interim Headteacher and the Chief Executive of the Warriner Multi Academy Trust. The SLT comprises the interim Headteacher and the Chief Executive of the Warriner Multi Academy Trust. The Chief Executive of the Warriner Multi Academy Trust is the Academy Trust's Acting Accounting Officer. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year.

None of the senior management team were directly employed by the Academy Trust during the current or previous year. The Academy Trust did however contract with The Warriner Multi-Academy Trust for the services of the Interim Headteacher and Interim Accounting Officer during the year, with the value of the services provided being recharged based on the salary, employers National Insurance and employers pensions costs of those individuals.

**h. Related parties and other connected charities and organisations**

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

**i. Engagement with employees (including disabled persons)**

Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance. During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

**j. Engagement with suppliers, customers and others in a business relationship with the Academy Trust**

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**OBJECTIVES AND ACTIVITIES**

**a. Objects and aims**

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Brackley and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said

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

**OBJECTIVES AND ACTIVITIES (continued)**

inhabitants.

The key aims of the Academy Trust during the year ended 31 August 2021 are summarised below:

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

**OBJECTIVES AND ACTIVITIES (continued)**

- To develop a curriculum design, that fosters the development of knowledge and skills, that is led by quality literature texts.
- To accelerate the progress, through the effective use of assessment for learning, for all pupils to improve outcomes so that they are at least in line or above national averages and to demonstrate the impact of pupil premium spending through improved outcomes for those pupils who are disadvantaged.
- To implement a programme of professional development that rapidly improves the pedagogical and subject knowledge of all subject leaders, teachers and adults who work with pupils.

**b. Public benefit**

The Academy Trust aims to advance for the public benefit education in the Brackley and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community. The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCES**

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2021 were as follows:

- Significant progress continued to be made on the issues identified by the Ofsted Inspection report in 2019.
- The school had two very positive Ofsted monitoring visits
- Internal data indicated that children were making strong progress.
- The school remained open to all vulnerable and key worker children and, when allowed to do so, was fully open to all children in all year groups who wished to attend.
- The education and welfare support provide by the school during partial closure was highly commended by parents.

**a. Key performance indicators**

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2021, the balance of the unrestricted and restricted income reserves was deficit by £254,739 (2020: £108,974). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.



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

**STRATEGIC REPORT (continued)**

**ACHIEVEMENTS AND PERFORMANCES (continued)**

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil numbers at the most recent census were 127.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 94.4% (2020: 93.7%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 76.7% (2020: 76.1%).

**b. Going concern**

As detailed in the financial review section below, the Academy Trust has generated an overall net operating deficit for the year of £145,765. As a result, at 31 August 2021, the Academy Trust has an overall deficit balance of operating reserves of £254,739. The budget forecast for the Academy Trust going forward for the 2021/22 year onwards indicates that further operating deficits will be incurred thereby increasing the overall deficit funds position going forward. Based on these operational projections, which include cash flow projections for the period, the Trustees do not consider the Academy Trust to be financially viable in its current operational form and as such, there are significant risks surrounding the on-going financial situation and long-term sustainability of the Academy Trust.

The Board of Trustees have previously decided that the continuing school improvement and financial viability would be best supported by seeking to join a Multi-Academy Trust. Discussions with the Department for Education regarding the Academy Trust joining another Multi-Academy Trust are ongoing as are discussions with the Education and Skills Funding Agency (ESFA) regarding additional financial support for the Academy Trust going forward whilst the future of the Academy Trust is evaluated.

As such, after making appropriate enquiries, in the absence of agreed path for the Academy Trust going forward and in the absence of formal confirmation of financial support from the ESFA, the Board of Trustees therefore do not believe the Academy Trust is a going concern and for this reason the financial statements have been prepared on a break-up basis. This has not led to any restatement or reclassification of any assets or liabilities at 31 August 2021.

**c. Promoting the success of the company**

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**FINANCIAL REVIEW**

For the year ended 31 August 2021, the Academy Trust's total income (excluding capital grants and other capital income) was £827,625 (2020: £895,926) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £973,390 (2020: £1,026,023), resulting in a net operating deficit for the year of £145,765 (2020: £130,097). As a result, at 31 August 2021, the Academy Trust has an overall deficit balance of operating reserves of £254,739 (2020: £108,974).

The net book value of fixed assets at 31 August 2021 were £2,303,821. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £564,000 (2020: £406,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 23 to the financial statements.

**a. Reserves Policy**

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

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

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

**a. Reserves Policy (continued)**

The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The total funds of the Academy Trust at 31 August 2021 are £1,526,622 (2020: £1,867,486). However, as detailed earlier in this report, the Academy Trust has a deficit balance of operating reserves at 31 August 2021 of £254,739 (2020: £108,974). As detailed above, the Board of Trustees have previously decided that the continuing school improvement and financial viability would be best supported by seeking to join a Multi-Academy Trust. Discussions with the Department for Education regarding the Academy Trust joining another Multi-Academy Trust are ongoing as are discussions with the Education and Skills Funding Agency (ESFA) regarding additional financial support for the Academy Trust going forward whilst the future of the Academy Trust is evaluated.

The value of the restricted fixed asset fund at 31 August 2021 is £2,345,361 (2020: £2,382,460), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £564,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make accelerated pension contributions over a number of years in order to fund the deficit. These accelerated pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

**b. Investment policy**

The Academy Trust has no investment other than balances held in current accounts. The Academy Trust does not anticipate having sufficient funds for investment in the foreseeable future, and so there is no investment policy at present.

**c. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

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

**c. Principal risks and uncertainties (continued)**

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority). In the year, approximately 94.3% of the Academy Trust's income (excluding amounts transferred on conversion from the Local Authority or amounts transferred from other academies joining the Trust) was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme(s), and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future. As detailed earlier in this report, the Academy Trust has a deficit balance of operating reserves at 31 August 2021 of £254,739 (2020: £108,974). As detailed above, the Board of Trustees have previously decided that the continuing school improvement and financial viability would be best supported by seeking to join a Multi-Academy Trust. Discussions with the Department for Education regarding the Academy Trust joining another Multi-Academy Trust are ongoing as are discussions with the Education and Skills Funding Agency (ESFA) regarding additional financial support for the Academy Trust going forward whilst the future of the Academy Trust is evaluated.

The Trustees examine the financial health of the Academy Trust formally, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Whitley Stimpson Limited, as internal auditor, to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

**Fundraising**

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents and no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the Trust's finance team. The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities and the general complaints policy of the Trust would be applicable if so.

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

**Streamlined energy and carbon reporting**

**PLANS FOR FUTURE PERIODS**

The Academy Trust's plans for future periods are:

- To continue to deliver the highest quality of education for all of our children;
- To continue strives to continually improve levels of attainment and progress for all pupils, as well as promoting the continued professional development of its staff;
- To continue to prioritise the wellbeing of pupils and staff; and
- To continue to raise the improving profile of the school within the local community.

**FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees at the date of this report are aware:

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

**AUDITORS**

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on its behalf by:

**N Garrett**  
**Chair of Trustees**

**SOUTHFIELD PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Southfield Primary School 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 of the Warriner Multi Academy Trust, as Acting Accounting Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Southfield Primary School 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 in office during the year ended 31 August 2020 formally met 6 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Green	2	2
R Gallyot	5	6
S Blackbond	6	6
A Eaton	6	6
T Hughes	6	6
L Weaver	6	6
N Garrett	6	6

The Board of Trustees reviewed the Academy Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Academy Trust.

The Resources & Audit Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
N Garrett	2	2
L Weaver	2	2
A Eaton	2	2
S Blackbond	2	2
T Hughes	2	2
R Gallyot	2	2
M Green	2	2

The key issue dealt with by the Resources & Audit Committee during the year was the review of the Academy Trust's 5-year financial forecasts and the actions required to address the reduced funding expected over this period.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

As interim Accounting Officer, the Chief Executive Officer of the Warriner MAT 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 period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered value for money during the year by:

- Using in house Teaching Assistant cover for Teacher absence.
- Delivery of CPD through free training and sharing of in house expertise.
- Researching purchasing decisions to ensure best value for money.
- Ensuring that staffing models reflect the pupil numbers.
- Reviewing all contracts and terminating those deemed no longer necessary.
- Pursuing the MAT partnership to bring about economies of scale.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 Southfield Primary School for the period from 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 from 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 regular monthly financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Resources & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has decided to employ Whitley Stimpson Limited as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

In particular, the checks carried out in the current period included the purchasing and procurement systems.

The internal auditor has delivered their program of work during the year ended 31 August 2021 as planned and no significant internal control weaknesses were identified from the work completed.

**Review of effectiveness**

As Interim Accounting Officer, Chief Executive Officer of The Warriner Multi Academy Trust has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2021 the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool; and
- 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 Resources & Audit Committee and a plan to ensure ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2021 and signed on their behalf by:

**N Garrett**  
Chair of Trustees

**Dr A Kay**  
Interim Accounting Officer



**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Interim Accounting Officer of Southfield Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

**Dr A Kay**  
Interim Accounting Officer

Date: 9 December 2021

**SOUTHFIELD PRIMARY SCHOOL**  
**(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 9 December 2021 and signed on its behalf by:

**N Garrett**  
Chair of Trustees

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**SOUTHFIELD PRIMARY SCHOOL**

**Opinion**

We have audited the financial statements of Southfield Primary School (the 'academy trust') 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 & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust'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 & 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 Trust 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.

**Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements, which indicates that the financial statements have been prepared on a break-up basis of accounting given the Board of Trustees do not consider the Academy Trust to be a going concern. Our opinion is not modified in respect of this matter.

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

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**SOUTHFIELD PRIMARY SCHOOL (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 Trust 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 Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SOUTHFIELD PRIMARY SCHOOL (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:

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**SOUTHFIELD PRIMARY SCHOOL**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SOUTHFIELD PRIMARY SCHOOL (CONTINUED)**

**Use of our report**

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Andy Jones FCA (Senior Statutory Auditor)**

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants

Statutory Auditors

Park View

One Central Boulevard

Blythe Valley Park

Solihull

B90 8BG

**N.B. The date of signing should be entered in 'ACCOUNTS COMPLETION' section**

Date:

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
SOUTHFIELD PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 November 2019 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 Southfield Primary School 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 Southfield Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southfield Primary School 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 Southfield Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Southfield Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Southfield Primary School's funding agreement with the Secretary of State for Education dated 25 May 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 Trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
SOUTHFIELD PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

- Detailed testing of the income and expenditure of the academy trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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.

Reporting Accountant  
**Cooper Parry Group Limited**  
Chartered Accountants  
Statutory Auditors  
Park View  
One Central Boulevard  
Blythe Valley Park  
Solihull  
B90 8BG

Date:



**SOUTHFIELD PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	3	-	3,304	17,595	20,899	17,341
Other trading activities	5	2,192	3,554	-	5,746	11,526
Investments	6	15	-	-	15	300
Charitable activities	4	-	818,560	-	818,560	867,691
<b>Total income</b>		<u>2,207</u>	<u>825,418</u>	<u>17,595</u>	<u>845,220</u>	<u>896,858</u>
<b>Expenditure on:</b>						
Charitable activities	7	-	1,036,390	54,694	1,091,084	1,155,099
<b>Total expenditure</b>		<u>-</u>	<u>1,036,390</u>	<u>54,694</u>	<u>1,091,084</u>	<u>1,155,099</u>
<b>Net income/(expenditure)</b>		2,207	(210,972)	(37,099)	(245,864)	(258,241)
Transfers between funds	16	(2,207)	2,207	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>-</u>	<u>(208,765)</u>	<u>(37,099)</u>	<u>(245,864)</u>	<u>(258,241)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(95,000)	-	(95,000)	231,000
<b>Net movement in funds</b>		<u>-</u>	<u>(303,765)</u>	<u>(37,099)</u>	<u>(340,864)</u>	<u>(27,241)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward	16	-	(514,974)	2,382,460	1,867,486	1,894,727
Net movement in funds		-	(303,765)	(37,099)	(340,864)	(27,241)
<b>Total funds carried forward</b>	16	<u>-</u>	<u>(818,739)</u>	<u>2,345,361</u>	<u>1,526,622</u>	<u>1,867,486</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 47 form part of these financial statements.

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08252316**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	2,303,821	2,343,323
<b>Current assets</b>			
Debtors	13	25,107	19,816
Cash at bank and in hand		64,122	170,148
		89,229	189,964
Creditors: amounts falling due within one year	14	(302,428)	(255,048)
<b>Net current liabilities</b>		(213,199)	(65,084)
<b>Total assets less current liabilities</b>		2,090,622	2,278,239
Creditors: amounts falling due after one year	15	-	(4,753)
<b>Net assets excluding pension liability</b>		2,090,622	2,273,486
Defined benefit pension scheme liability	23	(564,000)	(406,000)
<b>Total net assets</b>		1,526,622	1,867,486
 <b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	2,345,361	2,382,460
Restricted income funds	16	(254,739)	(108,974)
Pension reserve	16	(564,000)	(406,000)
<b>Total restricted funds</b>	16	1,526,622	1,867,486
<b>Unrestricted income funds</b>	16	-	-
<b>Total funds</b>		1,526,622	1,867,486

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue on 09 December 2021 and are signed on their behalf, by:

**N Garrett**  
Chair of Trustees

The notes on pages 26 to 47 form part of these financial statements.

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Note</b>	<b>2021</b> £	<b>2020</b> £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	(107,387)	(158,057)
<b>Cash flows from investing activities</b>	20	2,418	1,232
<b>Cash flows from financing activities</b>	19	(1,057)	5,809
<b>Change in cash and cash equivalents in the year</b>		(106,026)	(151,016)
Cash and cash equivalents at the beginning of the year		170,148	321,164
<b>Cash and cash equivalents at the end of the year</b>	21, 22	64,122	170,148

The notes on pages 26 to 47 form part of these financial statements

**SOUTHFIELD PRIMARY SCHOOL**  
**(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 Trust, 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 company to continue as a going concern.

The Academy Trust has generated an overall net operating deficit for the year of £145,765. As a result, at 31 August 2021, the Academy Trust has an overall deficit balance of operating reserves of £254,739. The budget forecast for the Academy Trust going forward for the 2021/22 year onwards indicates that further operating deficits will be incurred thereby increasing the overall deficit funds position going forward. Based on these operational projections, which include cash flow projections for the period, the Trustees do not consider the Academy Trust to be financially viable in its current operational form and as such, there are significant risks surrounding the on-going financial situation and long-term sustainability of the Academy Trust.

The Board of Trustees have previously decided that the continuing school improvement and financial viability would be best supported by seeking to join a Multi-Academy Trust. Discussions with the Department for Education regarding the Academy Trust joining another Multi-Academy Trust are ongoing as are discussions with the Education and Skills Funding Agency (ESFA) regarding additional financial support for the Academy Trust going forward whilst the future of the Academy Trust is evaluated.

As such, after making appropriate enquiries, in the absence of agreed path for the Academy Trust going forward and in the absence of formal confirmation of financial support from the ESFA, the Board of Trustees therefore do not believe the Academy Trust is a going concern and for this reason the financial statements have been prepared on a break-up basis. This has not led to any restatement or reclassification of any assets or liabilities at 31 August 2021.

**1.3 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.4 Income**

All incoming resources are recognised when the Academy Trust 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.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

**1.5 Expenditure**

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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

**1. Accounting policies (continued)**

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.7 Tangible fixed assets**

Assets costing £1,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Depreciation is provided on the following basis:

Leasehold property	-	2%
Furniture and equipment	-	20%
Computer equipment	-	20%

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.

**1.8 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

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

**SOUTHFIELD PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Pensions**

Retirement benefits to employees of the Academy Trust 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 Trust 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 Trust 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.

**1.13 Fund accounting**

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

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.

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**1. Accounting policies (continued)**

**1.14 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. 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.

**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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 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.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.



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**3. Income from donations and capital grants**

	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	3,304	10,978	14,282	16,409
Capital Grants	-	6,617	6,617	932
	<u>3,304</u>	<u>17,595</u>	<u>20,899</u>	<u>17,341</u>
<b>Total 2020</b>	<u>16,409</u>	<u>932</u>	<u>17,341</u>	

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**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
<b>DfE/ESFA grants</b>			
Inc type 1	613,185	613,185	681,357
Other DfE/ESFA grants			
Pupil premium	25,056	25,056	23,295
Universal Infant Free School Meals grant	19,934	19,934	20,571
Teachers' pension grant	22,221	22,221	25,078
PE and sport premium grant	17,420	17,420	17,670
Other DfE Group grants	14,495	14,495	15,224
	712,311	712,311	783,195
<b>Other Government grants</b>			
Local Authority grants	41,088	41,088	37,376
	41,088	41,088	37,376
<b>Other income from educational operations</b>	27,802	27,802	47,120
<b>COVID-19 additional funding (DfE/ESFA)</b>			
COVID Catch-up Premium	12,560	12,560	-
COVID Workforce grant	6,409	6,409	-
	18,969	18,969	-
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Other COVID funding	18,390	18,390	-
	18,390	18,390	-
	818,560	818,560	867,691
<b>Total 2020</b>	867,691	867,691	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for various grants previously aggregated together as Other DfE/ESFA grants are now reported as separate grants under the heading of Other DfE/ESFA grants above. The prior year comparatives have been reclassified accordingly.

The Academy Trust received £12,560 of funding for COVID Catch-up premium which was fully spent in the year.

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**5. Income from other trading activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	2,192	-	2,192	3,735
Other income	-	3,554	3,554	7,791
	<u>2,192</u>	<u>3,554</u>	<u>5,746</u>	<u>11,526</u>
<b>Total 2020</b>	<u><u>3,735</u></u>	<u><u>7,791</u></u>	<u><u>11,526</u></u>	

**6. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	15	15	300
	<u>15</u>	<u>15</u>	<u>300</u>
<b>Total 2020</b>	<u><u>300</u></u>	<u><u>300</u></u>	

**7. Expenditure**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational Operations:					
Direct costs	498,652	-	61,597	560,249	619,787
Support costs	303,412	53,792	173,631	530,835	535,312
	<u>802,064</u>	<u>53,792</u>	<u>235,228</u>	<u>1,091,084</u>	<u>1,155,099</u>
<b>Total 2020</b>	<u><u>823,695</u></u>	<u><u>76,285</u></u>	<u><u>255,119</u></u>	<u><u>1,155,099</u></u>	

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**8. Analysis of expenditure by activities**

	<b>Direct costs</b> <b>2021</b> £	<b>Support</b> <b>costs</b> <b>2021</b> £	<b>Total</b> <b>funds</b> <b>2021</b> £	<b>Total</b> <b>funds</b> <b>2020</b> £
Educational Operations	560,249	530,835	1,091,084	1,155,099
<b>Total 2020</b>	<b>619,787</b>	<b>535,312</b>	<b>1,155,099</b>	

**Analysis of support costs**

	<b>Total</b> <b>funds</b> <b>2021</b> £	<b>Total</b> <b>funds</b> <b>2020</b> £
LGPS FRS 102 net interest cost	7,000	10,000
Staff costs	303,412	267,994
Depreciation	54,694	64,076
Repairs and maintenance	23,414	44,369
Rent and rates	7,040	6,604
Light and heat	23,338	18,755
Insurance	2,889	-
Other support costs	109,048	123,514
	<b>530,835</b>	<b>535,312</b>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2021</b> £	<b>2020</b> £
Operating lease rentals	1,548	1,548
Depreciation of tangible fixed assets	54,694	64,076
Fees paid to auditors for:		
- audit	8,750	8,250
- other services	4,900	4,750

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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	565,363	601,718
Social security costs	31,757	33,627
Pension costs	160,758	164,129
	<u>757,878</u>	<u>799,474</u>
Agency staff costs	44,186	24,221
	<u>802,064</u>	<u>823,695</u>

**b. Staff numbers**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	9	14
Administration and support	25	24
Management	-	1
	<u>34</u>	<u>39</u>

**c. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in either year.

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The employee benefits in respect of the senior management team are recharged to the the Academy Trust from another Multi Academy Trust under an "off-payroll" agreement. The total paid by the Academy Trust during the year for these services totalled £91,858 (2020 - £65,252).

**11. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust 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 £10,000,000 It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**12. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	2,685,425	64,114	144,980	2,894,519
Additions	-	11,750	3,442	15,192
At 31 August 2021	<u>2,685,425</u>	<u>75,864</u>	<u>148,422</u>	<u>2,909,711</u>
<b>Depreciation</b>				
At 1 September 2020	348,413	58,670	144,113	551,196
Charge for the year	48,709	4,550	1,435	54,694
At 31 August 2021	<u>397,122</u>	<u>63,220</u>	<u>145,548</u>	<u>605,890</u>
<b>Net book value</b>				
At 31 August 2021	<u>2,288,303</u>	<u>12,644</u>	<u>2,874</u>	<u>2,303,821</u>
At 31 August 2020	<u>2,337,012</u>	<u>5,444</u>	<u>867</u>	<u>2,343,323</u>

**13. Debtors**

	2021 £	2020 £
Trade debtors	956	419
Other debtors	1,463	1,279
Prepayments and accrued income	22,688	18,118
	<u>25,107</u>	<u>19,816</u>

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**14. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	£
Salix loan	4,752	1,056
Trade creditors	29,950	9,837
Other taxation and social security	6,862	-
Other creditors	222,617	223,287
Accruals and deferred income	38,247	20,868
	302,428	255,048
	302,428	255,048
	<b>2021</b>	<b>2020</b>
	£	£
Deferred income at 1 September 2020	14,768	12,380
Resources deferred during the year	12,827	14,768
Amounts released from previous periods	(14,768)	(12,380)
	12,827	14,768
	12,827	14,768

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant School Meals and monies received for school trips which will be utilised in the year ending 31 August 2022.

Included in Salix loans is a loan with a value of £4,752 (2020: £1,056) from the ESFA which is non-interest bearing and repayable by bi-annual instalments.

**15. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	£	£
Salix loan	-	4,753
	-	4,753

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**16. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General funds	-	2,207	-	(2,207)	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(108,974)	613,185	(761,157)	2,207	-	(254,739)
Pupil Premium	-	25,056	(25,056)	-	-	-
Universal Infant Free School Meals	-	19,934	(19,934)	-	-	-
Teachers' pension grant	-	22,221	(22,221)	-	-	-
PE and sport premium grant	-	17,420	(17,420)	-	-	-
Other DfE Group grants	-	14,495	(14,495)	-	-	-
Local Authority grants	-	41,088	(41,088)	-	-	-
COVID Catch-up premium	-	12,560	(12,560)	-	-	-
COVID Workforce grant	-	6,409	(6,409)	-	-	-
Other COVID related funding	-	18,390	(18,390)	-	-	-
Other restricted income	-	34,660	(34,660)	-	-	-
Pension reserve	(406,000)	-	(63,000)	-	(95,000)	(564,000)
	(514,974)	825,418	(1,036,390)	2,207	(95,000)	(818,739)
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	2,343,322	-	(54,694)	15,193	-	2,303,821
Capital grants and other capital income	39,138	17,595	-	(15,193)	-	41,540



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**16. Statement of funds (continued)**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	2,382,460	17,595	(54,694)	-	-	2,345,361
<b>Total Restricted funds</b>	1,867,486	843,013	(1,091,084)	2,207	(95,000)	1,526,622
<b>Total funds</b>	1,867,486	845,220	(1,091,084)	-	(95,000)	1,526,622

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

The General Annual Grant (GAG) has been provided by the ESFA in order to fund the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other restricted income, which includes Pupil Premium funding, UIFSM funding, Teacher pay and pension grants, PE and Sport premium grants, Local Authority grants, COVID catch-up premium, other COVID relating funding and any restricted income are all used in accordance with the specific restrictions of the individual grants and funding provided

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and funding are also held in this fund and are restricted to use for the projects they were awarded for.

The Academy Trust is carrying a net deficit on restricted general funds (excluding pension reserve) plus unrestricted funds of £254,739. As detailed in note 1.2 above regarding the going concern basis of accounting, the Trustees do not consider the Academy Trust to be financially viable in its current operational form. The Board of Trustees have previously decided that the continuing school improvement and financial viability would be best supported by seeking to join a Multi-Academy Trust. Discussions with the Department for Education regarding the Academy Trust joining another Multi-Academy Trust are ongoing as are discussions with the Education and Skills Funding Agency (ESFA) regarding additional financial support for the Academy Trust going forward whilst the future of the Academy Trust is evaluated.

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**16. 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 £
<b>Unrestricted funds</b>						
General funds	21,123	4,035	-	(25,158)	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	681,357	(815,489)	25,158	-	(108,974)
Pupil Premium	-	23,295	(23,295)	-	-	-
Universal Infant Free School Meals	-	20,571	(20,571)	-	-	-
Teachers' pension grant	-	25,078	(25,078)	-	-	-
PE and sport premium grant	-	17,670	(17,670)	-	-	-
Other DfE Group grants	-	15,224	(15,224)	-	-	-
Local Authority grants	-	37,376	(37,376)	-	-	-
Other restricted income	-	71,320	(71,320)	-	-	-
Pension reserve	(572,000)	-	(65,000)	-	231,000	(406,000)
	<u>(572,000)</u>	<u>891,891</u>	<u>(1,091,023)</u>	<u>25,158</u>	<u>231,000</u>	<u>(514,974)</u>
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	2,407,399	-	(64,076)	-	-	2,343,323
Capital grants and other capital income	38,205	932	-	-	-	39,137
	<u>2,445,604</u>	<u>932</u>	<u>(64,076)</u>	<u>-</u>	<u>-</u>	<u>2,382,460</u>

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**16. Statement of funds (continued)**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Total Restricted funds</b>	1,873,604	892,823	(1,155,099)	25,158	231,000	1,867,486
<b>Total funds</b>	1,894,727	896,858	(1,155,099)	-	231,000	1,867,486

**17. 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	-	2,303,821	2,303,821
Current assets	47,689	41,540	89,229
Creditors due within one year	(302,428)	-	(302,428)
Provisions for liabilities and charges	(564,000)	-	(564,000)
<b>Total</b>	(818,739)	2,345,361	1,526,622

**Analysis of net assets between funds - prior year**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	2,343,323	2,343,323
Current assets	150,828	39,137	189,965
Creditors due within one year	(255,048)	-	(255,048)
Creditors due in more than one year	(4,753)	-	(4,753)
Provisions for liabilities and charges	(406,000)	-	(406,000)
<b>Total</b>	(514,973)	2,382,460	1,867,487

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**18. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(245,864)	(258,241)
	<hr/>	<hr/>
<b>Adjustments for:</b>		
Depreciation	54,694	64,076
Capital grants from DfE and other capital income	(17,595)	(932)
Interest receivable	(15)	(300)
Defined benefit pension scheme cost less contributions payable	56,000	55,000
Defined benefit pension scheme finance cost	7,000	10,000
(Increase)/decrease in debtors	(5,291)	15,610
Increase/(decrease) in creditors	43,684	(43,270)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(107,387)</b>	<b>(158,057)</b>
	<hr/> <hr/>	<hr/> <hr/>

**19. Cash flows from financing activities**

	<b>2021</b>	<b>2020</b>
	£	£
Cash inflows from new borrowing	-	5,809
Repayments of borrowing	(1,057)	-
	<hr/>	<hr/>
<b>Net cash (used in)/provided by financing activities</b>	<b>(1,057)</b>	<b>5,809</b>
	<hr/> <hr/>	<hr/> <hr/>

**20. Cash flows from investing activities**

	<b>2021</b>	<b>2020</b>
	£	£
Dividends, interest and rents from investments	15	300
Purchase of tangible fixed assets	(15,192)	-
Capital grants from DfE Group and others	17,595	932
	<hr/>	<hr/>
<b>Net cash provided by investing activities</b>	<b>2,418</b>	<b>1,232</b>
	<hr/> <hr/>	<hr/> <hr/>

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**21. Analysis of cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	£	£
Cash in hand and at bank	64,122	170,148
<b>Total cash and cash equivalents</b>	<b>64,122</b>	<b>170,148</b>

**22. Analysis of changes in net debt**

	<b>At 1 September 2020</b>	<b>Cash flows</b>	<b>Other non- cash changes</b>	<b>At 31 August 2021</b>
	£	£	£	£
Cash at bank and in hand	170,148	(106,026)	-	64,122
Debt due within 1 year	(1,056)	1,057	(4,753)	(4,752)
Debt due after 1 year	(4,753)	-	4,753	-
	<b>164,339</b>	<b>(104,969)</b>	<b>-</b>	<b>59,370</b>

**23. Pension commitments**

The Academy Trust'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 Northamptonshire Pension Fund. 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 March 2019.

Contributions amounting to £17,193 were payable to the schemes at 31 August 2021 (2020 - £Nil) and are included within creditors.

**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.

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**23. Pension commitments (continued)**

**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 £60,794 (2020 - £67,019).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

**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 £55,000 (2020 - £53,000), of which employer's contributions totalled £44,000 (2020 - £42,000) and employees' contributions totalled £ 11,000 (2020 - £11,000). The agreed contribution rates for future years are 19.0% per cent for employers and 5.5% to 12.5% per cent for employees.

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

**Principal actuarial assumptions**

	<b>2021</b>	<b>2020</b>
	%	%
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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**23. Pension commitments (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
Males	21.7	21.5
Females	24.1	23.7
Retiring in 20 years		
Males	22.8	22.3
Females	25.8	25.1

**Sensitivity analysis**

Increase in the reported value of defined benefit obligations from:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Discount rate -0.5%	230	186
CPI rate +0.5%	210	170

**Share of scheme assets**

The Academy Trust's share of the assets in the scheme was:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Equities	961,000	800,000
Corporate bonds	287,000	186,000
Property	172,000	139,000
Cash and other liquid assets	14,000	35,000
<b>Total market value of assets</b>	<b>1,434,000</b>	<b>1,160,000</b>

The actual return on scheme assets was £233,000 (2020 - £113,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Current service cost	(100,000)	(97,000)
Interest income	20,000	19,000
Interest cost	(27,000)	(29,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(107,000)</b>	<b>(107,000)</b>

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**23. Pension commitments (continued)**

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

	<b>2021</b>	<b>2020</b>
	£	£
<b>At 1 September</b>	1,566,000	1,578,000
Current service cost	100,000	97,000
Interest cost	27,000	29,000
Employee contributions	11,000	11,000
Actuarial losses/(gains)	308,000	(137,000)
Benefits paid	(14,000)	(12,000)
	<u>1,998,000</u>	<u>1,566,000</u>

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

	<b>2021</b>	<b>2020</b>
	£	£
<b>At 1 September</b>	1,160,000	1,006,000
Interest income	20,000	19,000
Actuarial gains	213,000	94,000
Employer contributions	44,000	42,000
Employee contributions	11,000	11,000
Benefits paid	(14,000)	(12,000)
	<u>1,434,000</u>	<u>1,160,000</u>

**24. Operating lease commitments**

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
	£	£
Not later than 1 year	774	1,548
Later than 1 year and not later than 5 years	-	774
	<u>774</u>	<u>2,322</u>

**25. Members' liability**

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



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**26. Related party transactions**

No related party transactions took place in the current or previous year.