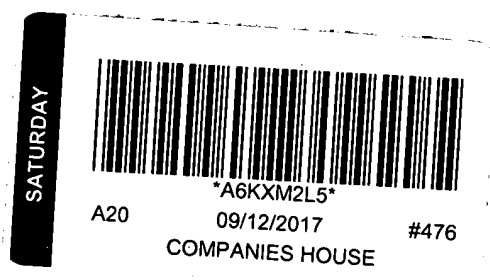


Company Registration No. 08803924 (England and Wales)

SUNNYSIDE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017



SUNNYSIDE ACADEMY

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SUNNYSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs M Madden (Chair)
Mr C S Geddes (Vice Chair)
Mrs N S Fox
Mr M G Allen-Mulroy
Mrs S Lipthorpe
Mrs G Holborn (Resigned 23 April 2017)
K Edmenson (Resigned 20 June 2017)
Mrs D Whitehead
Mrs S Welburn (Resigned 30 August 2017)
Ms H L Robinson
Mrs R Parker (Accounting Officer) (Resigned 26 February 2017)
Mrs J Sutton (Accounting Officer) (Appointed 27 February 2017)
Mrs C Hall (Appointed 20 June 2017)
Mr D Burns (Appointed 15 November 2016)

Members

- Chair
- Vice chair

Mrs M Madden
Mr C Geddes
Mrs N Fox

Senior management team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Director of Resources

J Sutton (was R Parker until 26 February 2017)
C Hall
D Kelly, S Birtles and D Lunn
S Robinson

Company registration number

08803924 (England and Wales)

Registered office

Manor Farm Way
Coulby Newham
Middlesbrough
TS8 0RJ

Independent auditor

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
St James House
137 Albert Road
Middlesbrough
TS1 2PD

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

SUNNYSIDE ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates a primary academy in Coulby Newham, Middlesbrough. Its academy has a combined pupil capacity of 447 and had a roll of 389 in the school census on 21 January 2017.

Date of Incorporation

The academy was incorporated as a company on 5 December 2013. Company number 08803924.

Date of Conversion

The academy converted from Sunnyside Primary School to Sunnyside Academy on 1 January 2014.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Sunnyside Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sunnyside Academy.

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

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of trustees

Membership is determined in accordance with the composition set out in the memorandum and articles. This states that the Academy composition is comprised as follows:

- The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 64, the Academy shall have the following Governors:

- (a) Up to three Community Governors;
- (b) a minimum of two but up to five Parent Governors appointed under Articles 53-58;
- (c) the Headteacher
- (d) up to three Staff Governors appointed under Article 50A;
- (e) one Trust Governor nominated by the Umbrella Trust;
- (f) the Umbrella Trust of which the Academy is a member from time to time can appoint (and remove), in its discretion, up to three additional Trust Governors to the extent that it reasonably considers that the academy is unwilling or unable to carry out such remedial action to the satisfaction of the Trustees

The Academy may also have up to three Co-opted Governors appointed under Article 59.

Future Governors shall be appointed or elected, as the case may be, under these Articles.

Appointment of Governors

- The Members may appoint up to three Community Governors.
- The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of Governors.
- Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

Co-opted Governors

The Governors may appoint Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy as a Co-opted Governor if thereby the number of Governors who are employees of the Academy would exceed one third of the total number of Governors (including the Headteacher).

The term of office for any Governor shall be 4 years, Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

A Governor induction procedure is in place for all new Governors. Training is provided through Middlesbrough Governor Development Service.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The Academy's unified management structure consists of 5 levels: the Governors and the Finance and Resources Committee, the Headteacher, the Senior Leadership Team (SLT) and the Senior Management and Leadership Team (SMLT).

The Governors are responsible for determining general policy, adopting an annual School Improvement Plan following a self-evaluation review, monitoring the practices and procedures adopted by the Academy, determining strategic direction of the Academy, capital expenditure and senior staff appointments.

The SMLT consists of the Headteacher, the Deputy Headteacher, Assistant Headteachers, Director of Resources, Leaders of Specialisms and the three Key Stage Leaders. The SLT controls the Academy at an executive level, implementing the policies laid down by the trustees and reporting back to them. The Headteacher and trustees are responsible for the authorisation of spending with agreed budgets and appointment of staff as stated in the finance handbook.

The Director of Resources is responsible for the management of the financial systems and ensuring efficient and effective use of resources. The Director of Resources is responsible for the authorisation of spending up to agreed limits as stated in the Financial Handbook. The Director of Resources is responsible for the efficient operation of the school office.

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Trustee's at Sunnyside Academy are non-paid. The arrangements for setting the pay and remuneration of the academy's key management personnel, in this case the senior leadership team is done following the guidance in the Academy's Pay Policy written by Kier HR and adopted by the Academy's Governing Body. The pay policy is intended to ensure that all employees paid from within the Academy budget are fairly and consistently treated in relation to pay and pay related issues. This policy adheres to the requirements of:

- The School Teachers' Pay and Conditions document currently in use;
- Conditions of Service for School Teachers' in England and Wales (Burgundy book, August 2000);
- The National Joint Council for Local Government Services National Agreement of Pay and Conditions of Service (Green book);
- The School Staffing (England) Regulations 2009; and
- The Education(School Teachers' Appraisal)(England)Regulations 2012

The pay policy is read and carried out in conjunction with the Academy's Improvement Plan, the Academy Appraisal policy and the Teachers' Standards.

The Governing Body has a dedicated Pay Committee to carry out determinations of pay in accordance with this pay policy. The Committee has fully delegated powers and has been established in accordance with the appropriate Governance Regulations.

Related parties and other connected charities and organisations

Sunnyside Academy is part of the Discovery Alliance, an Umbrella Trust established by five neighbouring primary academies and one secondary academy. The Discovery Alliance Umbrella Trust is a company registered in England and Wales. The Discovery Alliance was created to facilitate a closer working relationship between the six schools in order to raise standards, improve the educational experience, promote consistency and improve transition. One of the Primary schools left the Discovery alliance during the academic year.

The Head Teachers of the five remaining schools together with special advisors form the Raising Achievement Panel (RAP) which meets regularly to further the objectives of the Alliance through collaborative working and sharing best practice. Unlike a Multi Academy Trust, the Umbrella Trust and the six schools therein remain autonomous to ensure the best educational outcomes for each, whilst still being able to promote efficiency and effectiveness through a collaborative approach.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company is the operation of Sunnyside Academy to provide education for pupils of different abilities between the ages of 3-11. In accordance with the Articles of Association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

The Academy objects are specifically restricted to the following:

- (a) to advance for 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
- (b) to promote for the benefit of the inhabitants of Middlesbrough and the surrounding areas the provision of facilities for sport, recreation or other leisure time occupation of individuals who have need of such facilities by reason of youth, age, infirmity or disablement, poverty, financial hardship or social and economic circumstances or for public at large in the interests of social welfare and the object of improving conditions of life of the said inhabitants

School Aims:

We aim to create a secure, happy, caring, learning environment. Children will receive a broad, balanced and interesting curriculum, which motivates them to work and achieve to the best of their ability. Every child has the right to achieve their full potential.

Objectives, strategies and activities

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance and public benefit. Sunnyside Academy offers all pupils a broad curriculum. The pupils who attend live in and around the borough, with some out of borough pupils also attending. To provide opportunities for additional enjoyment and socialising a variety of after school activities are offered.

The Academy organises various visits to develop learning beyond the classroom.

Objectives:

Data as regards pupil performance is generated every week at Sunnyside Academy whether it be through reading tests, pupil performance or attendance analysis. The data is analysed further at half termly monitoring meetings coordinated by the school's Senior Management Team where the progress made by every individual pupil is discussed. These meetings are used to hold individual members of staff to account for the progress of pupils in their care. Governors are often in attendance. Any interventions which may be necessary to further enhance the progress made by any individual will be agreed at these meetings. A summary of the progress made by pupils is then presented to the Governors Raising Achievement Committee. The RA Committee also scrutinises the results of pupils who take part in year-end tests. Sunnyside Academy is also part of the Discovery Alliance Umbrella Trust + which has its own Raising Achievement Panel or RAP. The RAP oversees standards in the six schools which make up the Alliance and reports its findings to the Umbrella Trust if necessary.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

Achievements in the period

When considering any results it is important to understand Sunnyside's unique context. Sunnyside educates pupils with special educational needs alongside mainstream pupils. Over one third of our pupils have learning difficulties and/or disabilities and around 1 in 15 have a statement of special educational needs or disability or EHCP. These proportions are much higher than in most schools. There are specialist staff and facilities to teach pupils who have hearing or visual impairments. These children are drawn from across the Tees Valley.

We also host the only remaining High Needs Base in Middlesbrough LA with children joining the school with very low levels of English and Mathematics at the end of Year 3.

In 2017 53% of our Reception aged children achieved a good level of development when measured against the Foundation Stage Profile. This increased to 60% of the year group when our HI and VI base children are not included in the calculation.

74% of our whole cohort of Year 1 children passed their Phonic Screening test in 2017. This figure increases to 85% of the year group when base children are not included in the calculation.

Key performance indicators

Key Stage 1 2017

Whole Cohort = 40 pupils

Reading Working at greater depth

Working at the expected standard 63% against National 76%

Writing Working at greater depth

Working at the expected standard 45% against National 68%

Maths Working at greater depth

Working at the expected standard 65% against National 75%

COMBINED EXPECTED RWM = 37.5%

GREATER DEPTH 0%

Mainstream Cohort =

Reading Working at greater depth 23%

Working at the expected standard 83%

Writing Working at greater depth 16%

Working at the expected standard 75%

Maths Working at greater depth 0%

Working at the expected standard 83%

COMBINED RWM = 62.5% NATIONAL = 64%

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key Stage 2 2017

Whole Cohort = 45 pupils

Reading at Greater Depth

Reading Working at the expected standard 40%

Writing Working at greater depth

Working at the expected standard 53%

EPaG Working at the Greater depth –

Working at expected standard 51%

Maths Working at Greater Depth

Working at expected standard

COMBINED EXPECTED RWM 38%

COMBINED GREATER DEPTH 0%

Mainstream KS2 pupils =

Reading at Greater Depth 19%

Reading Working at the expected standard 40%

Writing Working at greater depth 6%

Working at the expected standard 53%

EPaG Working at the Greater depth – 18%

Working at expected standard 51%

Maths Working at Greater Depth - 5%

Working at expected standard 53%

COMBINED EXPECTED RWM 38%.

COMBINED GRETER DEPTH RWM 0%

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

Around half of the Academy's income is received from the Education and Skills Funding Agency [ESFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 24. Details of all grants and income received can be found in notes 3 to 5.

During the year the new Headteacher undertook a staffing review and as a result there were a number of redundancies. These payments amounted to over £60,000.

During the period ended 31 August 2017 expenditure amounting to £3,241,663 was incurred or accrued, including depreciation. This was offset by grants receivable from the ESFA, the Local Authority, and income from lettings used to ensure this business is sustainable. The other half of the Academy's income is from top up funding for Hearing Impaired and Visually Impaired pupil places.

At 31 August 2017 the net book value of fixed assets was £4,601,747. The assets were used exclusively to provide education and associated services to the students of the Academy.

The Academy made a total operating surplus in the period to 31 August 2017 of £13,930 after allowing for LGPS charges.

Total income excluding capital grants in the period was £3,247,446 of which £2,149,773 came from the ESFA revenue grants and £750,452 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high, vacancies are filled and that the school maintains its pupil numbers.

Land, buildings and other assets were transferred to the Academy on conversion, in 2014 Land and buildings were professionally valued at £4,286,000.

Fund balances held at 31 August 2017 were £239,587 comprising restricted reserves of £94,895 And unrestricted reserves of £144,692.

Reserves policy

The Governing Body is responsible for determining the level of financial reserves to be carried forward at the end of any financial period (31 August).

The Governing Body would look to hold 15% of its annual income, with a maximum of 5% being from restricted funds. The actual balance for 2016/17 was 7.4% with 2.9% coming from restricted funds.

The Governing Body has delegated the monitoring of potential period end reserves to the Finance and Resources/Audit Committee as part of their terms of reference.

The Governing Body will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of General Annual Grant [GAG] income and other grants.

The Governing Body will consider the improvement plan for capital developments required.

The Governing Body will always try to match income with expenditure in the current period and will only carry forward reserves that it considers are necessary for future period's expenditure.

The Governing Body may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years.

The Academy reserves at present are being held to expand the Academy to accommodate the needs of a growing number of pupils.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment policy and powers

The Academy has an approved Investment Policy and if the Academy is able to generate better returns than currently provided in the current account, it may undertake other investments. Investments may however only be made in accordance with procedures approved by the Governing Body. It is expected that all investment decisions will be made on a risk-averse basis. All investments, outside of the deposit account, need GB approval. Investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated, including the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure that the income receivable is actually received.

The aim of this policy is to ensure that funds which the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk. Our aim is to spend the publicly funded monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

Principal risks and uncertainties

The risk management plan continues to be developed and identified/potential risks have been reviewed regularly. A Risk Management Policy has been created and adopted by the Academy Trust Board. As a part of this policy a risk register has also been produced which will be reviewed at each Finance and Resources Committee meeting.

A risk the Academy continually faces is the uncertainty of pupil numbers in our HI and VI bases. These pupils carry with them a greater amount of funding than mainstream pupils and yet the numbers may fluctuate more rapidly. However currently the school has rising pupil numbers in the bases although a current decline in mainstream pupil numbers.

The school has a new Senior Leadership Team, with the new Headteacher being in post since February 2017.

The loss of the previous leadership team has had an effect on the income that has historically come into school. For example, the Headteacher and the Assistant Headteacher both had pivotal roles in the Management of the HI and VI Service for the Local Authority and through a Service Level Agreement came £50,000. This income source has now gone. This can also be said for the income previously received for Outreach work predominantly by our HI/VI staff, £48,000 per annum has been received over the past three years. The school will not receive this large amount in the future, if indeed any at all.

The Local Authority (Middlesbrough) have recently undergone a review on how it pays for Top Up places (this covers our HI and VI pupils). After an initial decision was made to increase the amount the school would receive per top up, the LA did a U-turn and postponed the outcome of the review. This has caused huge instability in the Academy's budget setting process for 2017/2018. Where the initial budget was set with a good reserve, a revised budget had to be set at the last minute to incorporate the reduction in proposed funding from the LA. At the time of writing the academy still did not have any answers.

The Director of Resources has worked closely with Baldwins Audit Services Limited to ensure financial systems are secure.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

Over the forthcoming year there will be a number of staffing changes as a new staffing structure begins on 1 September 2017.

The Academy Improvement Plan clearly states objectives to maintain the highest standards of achievement of all pupils whilst ensuring the school moves forward within a rapidly changing world.

Our plan drives improvement against school priorities and is informed by quality self-evaluation. It provides a detailed time line translating priorities into action. It identifies clear lines of accountability for actions and outcomes. The plan is monitored and evaluated against pupil progress. It is our intention to challenge one another and the children in our care to achieve their full potential. As a staff we intend to place an explicit focus on teaching and learning and the progress children make. Quality teaching is an entitlement for all children at Sunnyside. At Sunnyside, we share values and a vision for the future. Our language makes our school which is a beautiful place. We take a stand on detail. We all sing from the same hymn sheet. We see our work as being part of a complex jigsaw. We must ensure that all the corner pieces of the jigsaw are in place before we put in the sides and the centre of our jigsaw.

The overall aims of the school remain the same as do the principles put forward in the school's vision statement. These aims are summed up as follows:

To continue to improve the standards of achievement at Sunnyside Academy for all pupils with particular emphasis on raising standards in the core subjects whilst improving teaching and learning for all through the provision of a curriculum suitable for all of the children at Sunnyside.

To further develop the principle of inclusive education throughout the school.

Funds held as custodian trustee on behalf of others

The balance that was held on behalf of the Discovery Alliance was spent throughout the year and this was from a 'one off' grant. Therefore the school is no longer the custodian of these funds.

Auditor

In so far as the trustees are aware:

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

A resolution proposing Baldwins Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on5.12.17..... and signed on its behalf by:



Mrs M Madden
Chair

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sunnyside Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs M Madden (Chair)	3	3
Mr C S Geddes (Vice Chair)	3	3
Mrs N S Fox	3	3
Mr M G Allen-Mulroy	3	3
Mrs S Lipthorpe	2	3
Mrs G Holborn (Resigned 23 April 2017)	1	1
K Edmenson (Resigned 20 June 2017)	0	2
Mrs D Whitehead	3	3
Mrs S Welburn (Resigned 30 August 2017)	1	3
Ms H L Robinson	3	3
Mrs R Parker (Accounting Officer) (Resigned 26 February 2017)	1	1
Mrs J Sutton (Accounting Officer) (Appointed 27 February 2017)	2	2
Mrs C Hall (Appointed 20 June 2017)	1	1
Mr D Burns (Appointed 15 November 2016)	3	3

A self-evaluation review of the Governing Body has been undertaken and was discussed at the Governing Body meeting in November 2015. The Chair and Vice Chair are both Highly competent/competent with the remaining governors being mostly competent or developing in their financial management skills. However after replacing three governors in 2016/2017 this self- evaluation review is being repeated during the autumn term and will be reviewed at the Full Governing Body meeting in December 2017.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding sustainable provision. It also stands as the Audit Committee. Since becoming an Academy, four meetings have been held.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs M Madden (Chair)	2	3
Mr C S Geddes (Vice Chair)	3	3
Mr M G Allen-Mulroy	2	3
Mrs G Holborn (Resigned 23 April 2017)	1	1
Mrs R Parker (Accounting Officer) (Resigned 26 February 2017)	2	2
Mrs J Sutton (Accounting Officer) (Appointed 27 February 2017)	1	1

Review of value for money

As accounting officer the principal 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.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

1. Raising student attainment

Sunnyside Academy is a larger than average sized school which draws its pupils from a wide area. It was built around 38 years ago to educate pupils with special educational needs alongside mainstream pupils. Over one third of the pupils have learning difficulties and/or disabilities and one tenth have a statement of special educational need or disability (SEND). These proportions are much higher than in most schools. There are specialist staff and facilities to teach pupils who have hearing or visual impairments. In addition our base for pupils with learning difficulties was re-classified as a High Needs Base in January 2014.

Most pupils come from White British backgrounds, though a small number are from other ethnic backgrounds, are learning English as an additional language and are hearing impaired. These children learn British Sign Language.

Our WOW curriculum means that our children enjoy many visits, visitors and experiences to stimulate their minds.

2017 Y6 Cohort

Any cohort of children at Sunnyside consists of:

- Mainstream children with no SEND.
- Mainstream children with SEND.
- Hearing impaired children.
- Visually impaired children.
- Children who attend our Higher Needs Base and join Sunnyside from Y3 onwards.

The HI/VI and HNB children can be drawn from any of the five Tees Valley LAs.

In 2017 the Y6 cohort consisted of 45 pupils broken down as follows.

- 5 HI children. Statemented for SEND.
- 1 VI children. EHCP.
- 7 (%) High Needs Support Base children all of whom were cognitively unable to take SAT tests
- 8 SEND pupils

2. Robust governance and oversight of Academy Trust Finances

The Academy benefits from the provision by Kier of a suitably qualified Responsible Officer (RO). The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Finance and Resources Committee.

The Academy receives support throughout the year from its External Auditors on compliance and accounting practices.

The Finance and Resources Committee receive termly monitoring reports. The Trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy remains a 'going concern'. The board also receive and approve the Annual Accounts and the External Auditors Management Report.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3. Ensuring the operation of the Academy demonstrates good value for money and efficient and effective use of resources

The Academy regularly benchmarks financial performance against other academies to demonstrate that the Academy provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive. For purchases above £10,000, but below the tender limit, 3 quotes are required.

The schools work closely with the Discovery Alliance Trust, consisting of four primary and one secondary academy. Through this partnership best value has been realised in such areas as insurance, buildings management and the group are currently working on procuring energy. As a group better savings can be made than as a single entity.

4. Maximising income generation

The Academy explores every opportunity to generate income through hire of Academy facilities. Income is also generated from small grant applications which help to support the wider curriculum.

During the year the school successfully bid for funding from Sports and PE funding, Awards for All grant, Kellogs Breakfast Club grant. A fundraising company has been hired (July 2017) to source additional funding streams for the academy.

5. Reviewing controls and managing risks

The Academy Senior Leadership Team review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Academy Improvement Plan.

The Academy works with other schools collaboratively to ensure that procurement costs are kept to a minimum. There is a commendable segregation of duties within the finance team. The school is fortunate, as a large primary school to have a team of four working in an administrative role, with three focussing on finance in particular. Stringent safeguards are in place to ensure that risk is minimised through fraud. Financial risks are considered at each Finance and Resources governors meeting.

The Academy maximises its resources by its environmental policies. These include energy consumption, recycling and reducing waste and procurement.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sunnyside Academy for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Kier as internal auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Roles and responsibilities of leadership and governance
- Governance documentation
- Pecuniary interests
- Whistleblowing policy
- Self evaluation of financial competencies
- Governors induction
- Staffing structure review
- School development plan
- Budgeting process
- Tendering process
- Reporting
- Financial procedures
- Financial/accounting records and systems
- Data security
- Income
- Purchasing
- Cash control
- Payroll
- Assets
- Insurance
- VAT and other taxation
- Year end procedures

On a termly basis, the auditor reports to the board of trustees, through the finance and resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned.

The internal audits highlighted the following material control issues which have since been rectified where possible:

- Staff Structure Review - The "Finance Director" is educated to degree level in Business Management and has a number of years' experience in school finance roles. (Raised every year)

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Director of Resources who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on5/12/17..... and signed on its behalf by:



Mrs M Madden
Chair



Mrs J Sutton
Accounting Officer

SUNNYSIDE ACADEMY

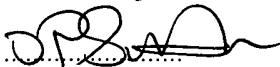
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Sunnyside Academy , since 27 February 2017, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust'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 2016.

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

Mrs J Sutton
Accounting Officer



5/12/17

SUNNYSIDE ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Sunnyside Academy and are also the directors of Sunnyside Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on and signed on its behalf by:



Mrs M Madden
Chair

SUNNYSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNNYSIDE ACADEMY

Opinion

We have audited the accounts of Sunnyside Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

SUNNYSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNNYSIDE ACADEMY (CONTINUED)

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

SUNNYSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNNYSIDE ACADEMY (CONTINUED)

Baldwins

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

6/12/17
.....

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

SUNNYSIDE ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SUNNYSIDE ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sunnyside Academy during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sunnyside Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sunnyside Academy 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 Sunnyside Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sunnyside Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sunnyside Academy's funding agreement with the Secretary of State for Education dated 20 December 2013 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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.

SUNNYSIDE ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SUNNYSIDE ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Audit reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant

Baldwins Audit Services Limited

Dated:*Amr*.....

SUNNYSIDE ACADEMY

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

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	-	-	8,147	8,147	128,679
Charitable activities:						
- Funding for educational operations	4	39,124	3,170,225	-	3,209,349	3,081,417
Other trading activities	5	37,371	-	-	37,371	34,235
Investments	6	726	-	-	726	907
Total income and endowments		77,221	3,170,225	8,147	3,255,593	3,245,238
Expenditure on:						
Raising funds	7	27,608	-	-	27,608	25,947
Charitable activities:						
- Educational operations	8	31,724	3,230,023	140,308	3,402,055	3,246,330
Total expenditure	7	59,332	3,230,023	140,308	3,429,663	3,272,277
Net income/(expenditure)		17,889	(59,798)	(132,161)	(174,070)	(27,039)
Transfers between funds		(3,446)	(200,963)	204,409	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	411,000	-	411,000	(734,000)
Net movement in funds		14,443	150,239	72,248	236,930	(761,039)
Reconciliation of funds						
Total funds brought forward		130,249	(1,012,344)	4,529,499	3,647,404	4,408,443
Total funds carried forward		144,692	(862,105)	4,601,747	3,884,334	3,647,404

SUNNYSIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	-	9,820	118,859	128,679
Charitable activities:					
- Funding for educational operations	4	34,882	3,046,535	-	3,081,417
Other trading activities	5	34,235	-	-	34,235
Investments	6	907	-	-	907
Total income and endowments		70,024	3,056,355	118,859	3,245,238
Expenditure on:					
Raising funds	7	25,947	-	-	25,947
Charitable activities:					
- Educational operations	8	34,882	3,084,901	126,547	3,246,330
Total expenditure	7	60,829	3,084,901	126,547	3,272,277
Net income/(expenditure)		9,195	(28,546)	(7,688)	(27,039)
Transfers between funds		-	(18,792)	18,792	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	18	-	(734,000)	-	(734,000)
Net movement in funds		9,195	(781,338)	11,104	(761,039)
Reconciliation of funds					
Total funds brought forward		121,054	(231,006)	4,518,395	4,408,443
Total funds carried forward		130,249	(1,012,344)	4,529,499	3,647,404

SUNNYSIDE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		4,601,747		4,529,499
Current assets					
Debtors	13	187,205		126,931	
Cash at bank and in hand		359,044		375,928	
		546,249		502,859	
Current liabilities					
Creditors: amounts falling due within one year	14	(306,662)		(204,954)	
Net current assets			239,587		297,905
Net assets excluding pension liability			4,841,334		4,827,404
Defined benefit pension liability	18		(957,000)		(1,180,000)
Net assets			3,884,334		3,647,404
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,601,747		4,529,499
- Restricted income funds			94,895		167,656
- Pension reserve			(957,000)		(1,180,000)
Total restricted funds			3,739,642		3,517,155
Unrestricted income funds	16		144,692		130,249
Total funds			3,884,334		3,647,404

The accounts set out on pages 24 to 47 were approved by the board of trustees and authorised for issue on 31/12/17 and are signed on its behalf by:



Mrs M Madden
Chair

Company Number 08803924

SUNNYSIDE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		186,799		(60,462)
Cash flows from investing activities					
Dividends, interest and rents from investments		726		907	
Capital grants from DfE and ESFA		8,147		118,859	
Payments to acquire tangible fixed assets		(212,556)		(137,651)	
			(203,683)		(17,885)
Change in cash and cash equivalents in the reporting period			(16,884)		(78,347)
Cash and cash equivalents at 1 September 2016			375,928		454,275
Cash and cash equivalents at 31 August 2017			359,044		375,928

SUNNYSIDE ACADEMY

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

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sunnyside Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 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 receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold buildings	2% straight line
Computer equipment	50% straight line
Fixtures, fittings & equipment	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 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 chapter 3 part 11 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.

1.10 Pensions benefits

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 and the assets are held separately from those of the academy trust.

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. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded 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.

1.11 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	8,147	8,147	118,859
Other donations	-	-	-	9,820
	<hr/>	<hr/>	<hr/>	<hr/>
	-	8,147	8,147	128,679
	<hr/>	<hr/>	<hr/>	<hr/>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,168,942	2,168,942	1,854,330
Other DfE / ESFA grants	-	250,831	250,831	244,364
	-	2,419,773	2,419,773	2,098,694
Other government grants				
Local authority grants	-	750,452	750,452	947,841
Other funds				
Catering income	25,684	-	25,684	27,072
Other incoming resources	13,440	-	13,440	7,810
	39,124	-	39,124	34,882
Total funding	39,124	3,170,225	3,209,349	3,081,417

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	807	-	807	1,013
Catering income	1,886	-	1,886	2,057
Trips	8,241	-	8,241	9,146
Other income	26,437	-	26,437	22,019
	37,371	-	37,371	34,235

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	726	-	726	907

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	2,989	-	24,619	27,608	25,947
Academy's educational operations					
- Direct costs	2,219,185	-	98,291	2,317,476	2,339,406
- Allocated support costs	494,808	368,449	221,322	1,084,579	906,924
	<u>2,716,982</u>	<u>368,449</u>	<u>344,232</u>	<u>3,429,663</u>	<u>3,272,277</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	6,000	6,000
- Other services	2,251	2,180
Operating lease rentals	35,790	38,698
Depreciation of tangible fixed assets	140,308	126,547
Net interest on defined benefit pension liability	23,000	13,000
	<u></u>	<u></u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	6,040	2,311,436	2,317,476	2,339,406
Support costs - educational operations	25,684	1,058,895	1,084,579	906,924
	<u>31,724</u>	<u>3,370,331</u>	<u>3,402,055</u>	<u>3,246,330</u>
			2017 £	2016 £
Analysis of support costs				
Support staff costs			494,808	343,460
Depreciation and amortisation			140,308	126,547
Technology costs			1,773	3,489
Premises costs			187,366	190,638
Other support costs			194,597	187,763
Governance costs			65,727	55,027
			<u>1,084,579</u>	<u>906,924</u>

9 Staff costs

	2017 £	2016 £
Wages and salaries	1,970,020	2,010,370
Social security costs	164,593	150,597
Operating costs of defined benefit pension schemes	445,264	326,505
Staff costs	<u>2,579,877</u>	<u>2,487,472</u>
Supply staff costs	55,355	38,327
Staff restructuring costs	59,489	-
Staff development and other staff costs	22,261	34,501
Total staff expenditure	<u>2,716,982</u>	<u>2,560,300</u>

Staff numbers

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

	2017 Number	2016 Number
Teachers	74	74
Administration and support	33	33
Management	5	2
	<u>112</u>	<u>109</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

(Continued)

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
	<u> </u>	<u> </u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £59,489. Individually, the payments were: £11,246, £8,027, £842, £12,215, £3,820, £6,011 and £17,328.

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 total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £356,919 (2016: £248,567).

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no expenses were reimbursed to trustees.

The value of trustees' remuneration for the year was as follows:

G Holborn (Teacher)	
Remuneration	£25,001 - £30,000 (2016: £35,001 - £40,000)
Employer's pension contributions	£0,001 - £5,000 (2016: £5,001 - £10,000)
S Liphthorpe (HLTA)	
Remuneration	£20,001 - £25,000 (2016: £20,001 - £25,000)
Employer's pension contributions	£0,001 - £5,000 (2016: £0,001 - £5,000)
R Parker (Interim headteacher)	
Remuneration	£30,001 - £35,000 (2016: £nil)
Employer's pension contributions	£nil (2016: £nil)
J Sutton (Headteacher)	
Remuneration	£30,001 - £35,000 (2016: £nil)
Employer's pension contributions	£5,001 - £10,000 (2016: £nil)
C Hall (Deputy headteacher)	
Remuneration	£50,001 - £55,000 (2016: £nil)
Employer's pension contributions	£5,001 - £10,000 (2016: £nil)
D Burns (TA)	
Remuneration	£10,001 - £15,000 (2016: £nil)
Employer's pension contributions	£0,001 - £5,000 (2016: £nil)

Other related party transactions involving the trustees are set out within the related parties note.

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 trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £82 (2016: £601).

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Leasehold buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	4,615,657	54,719	156,090	4,826,466
Additions	66,252	85,697	60,607	212,556
At 31 August 2017	4,681,909	140,416	216,697	5,039,022
Depreciation				
At 1 September 2016	226,290	47,795	22,882	296,967
Charge for the year	87,726	10,803	41,779	140,308
At 31 August 2017	314,016	58,598	64,661	437,275
Net book value				
At 31 August 2017	4,367,893	81,818	152,036	4,601,747
At 31 August 2016	4,389,367	6,924	133,208	4,529,499

13 Debtors

	2017 £	2016 £
Trade debtors	58,767	16,032
VAT recoverable	32,463	15,052
Other debtors	6,000	18,726
Prepayments and accrued income	89,975	77,121
	187,205	126,931

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	119,281	62,937
Other taxation and social security	39,081	44,800
Other creditors	36,213	37,523
Accruals and deferred income	112,087	59,694
	306,662	204,954

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year	26,930	24,529
	Deferred income at 1 September 2016	24,529	53,002
	Released from previous years	(24,529)	(53,002)
	Amounts deferred in the year	26,930	24,529
	Deferred income at 31 August 2017	26,930	24,529

Included in deferred income is universal infant meal funding and rates funding in respect of 2017/18.

16	Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
	Restricted general funds					
	General Annual Grant	167,656	2,168,942	(2,047,240)	(194,463)	94,895
	Other DfE / ESFA grants	-	250,831	(250,831)	-	-
	Other government grants	-	750,452	(743,952)	(6,500)	-
	Funds excluding pensions	167,656	3,170,225	(3,042,023)	(200,963)	94,895
	Pension reserve	(1,180,000)	-	(188,000)	411,000	(957,000)
		(1,012,344)	3,170,225	(3,230,023)	210,037	(862,105)
	Restricted fixed asset funds					
	Transferred on conversion	4,069,979	-	(82,638)	-	3,987,341
	DfE / ESFA capital grants	127,538	8,147	(47,670)	-	88,015
	Capital expenditure from GAG and unrestricted funds	331,982	-	(10,000)	204,409	526,391
		4,529,499	8,147	(140,308)	204,409	4,601,747
	Total restricted funds	3,517,155	3,178,372	(3,370,331)	414,446	3,739,642
	Unrestricted funds					
	General funds	130,249	77,221	(59,332)	(3,446)	144,692
	Total funds	3,647,404	3,255,593	(3,429,663)	411,000	3,884,334

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. 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 2017.

Other DfE/ESFA grants includes pupil premium funding targeted at disadvantaged pupils, School lunch Funding and a sport grant.

Other government grants includes early years funding for three and four year old children, funding for pupils with special educational needs, specialist funding for children with hearing and vision needs and pupil premium provided by the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants consist of the devolved capital which has been fully spent in the year.

The inherited fixed asset fund reflects the fixed assets acquired from Middlesbrough Council on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has been funded by GAG and unrestricted funds. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds may used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds were £239,587 as at 31 August 2017.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	159,032	1,854,330	(1,826,914)	(18,792)	167,656
Other DfE / ESFA grants	4,962	244,364	(249,326)	-	-
Other government grants	-	947,841	(947,841)	-	-
Other restricted funds	-	9,820	(9,820)	-	-
	<u>163,994</u>	<u>3,056,355</u>	<u>(3,033,901)</u>	<u>(18,792)</u>	<u>167,656</u>
Funds excluding pensions	163,994	3,056,355	(3,033,901)	(18,792)	167,656
Pension reserve	(395,000)	-	(51,000)	(734,000)	(1,180,000)
	<u>(231,006)</u>	<u>3,056,355</u>	<u>(3,084,901)</u>	<u>(752,792)</u>	<u>(1,012,344)</u>
Restricted fixed asset funds					
Transferred on conversion	4,153,827	-	(83,848)	-	4,069,979
DfE / ESFA capital grants	21,916	118,859	(13,237)	-	127,538
Capital expenditure from GAG	342,652	-	(29,462)	18,792	331,982
	<u>4,518,395</u>	<u>118,859</u>	<u>(126,547)</u>	<u>18,792</u>	<u>4,529,499</u>
Total restricted funds	<u>4,287,389</u>	<u>3,175,214</u>	<u>(3,211,448)</u>	<u>(734,000)</u>	<u>3,517,155</u>
Unrestricted funds					
General funds	121,054	70,024	(60,829)	-	130,249
Total funds	<u>4,408,443</u>	<u>3,245,238</u>	<u>(3,272,277)</u>	<u>(734,000)</u>	<u>3,647,404</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	4,601,747	4,601,747
Current assets	144,692	401,557	-	546,249
Creditors falling due within one year	-	(306,662)	-	(306,662)
Defined benefit pension liability	-	(957,000)	-	(957,000)
	<u>144,692</u>	<u>(862,105)</u>	<u>4,601,747</u>	<u>3,884,334</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	4,529,499	4,529,499
Current assets	130,249	372,610	-	502,859
Creditors falling due within one year	-	(204,954)	-	(204,954)
Defined benefit pension liability	-	(1,180,000)	-	(1,180,000)
	<u>130,249</u>	<u>(1,012,344)</u>	<u>4,529,499</u>	<u>3,647,404</u>

18 Pensions and similar obligations

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 Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £35,372 (2016: £37,005) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £158,971 (2016: £177,412).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2017 £	2016 £
Employer's contributions	118,000	110,000
Employees' contributions	46,000	43,000
Total contributions	164,000	153,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.9	3.4
Rate of increase for pensions in payment	1.9	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	1.9	1.9

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.8	23.1
- Females	24.9	25.6
Retiring in 20 years		
- Males	25.0	25.3
- Females	27.2	28.0

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £	2016 £
Discount rate + 0.1%	2,664,000	2,266,000
Discount rate - 0.1%	2,808,000	2,371,000
Mortality assumption + 1 year	2,654,000	2,245,000
Mortality assumption - 1 year	2,816,000	2,391,000
CPI rate + 0.1%	2,781,000	2,351,000
CPI rate - 0.1%	2,690,000	2,286,000

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	1,042,538	970,714
Government bonds	-	9,104
Corporate bonds	1,318	9,104
Cash	168,704	66,004
Property	84,352	83,074
Other assets	21,088	-
Total market value of assets	1,318,000	1,138,000
Actual return on scheme assets - gain/(loss)	24,000	148,000

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	283,000	148,000
Interest income	(24,000)	(35,000)
Interest cost	47,000	48,000
Total operating charge	306,000	161,000
Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	2,318,000	1,240,000
Current service cost	283,000	148,000
Interest cost	47,000	48,000
Employee contributions	46,000	43,000
Actuarial (gain)/loss	(411,000)	847,000
Benefits paid	(8,000)	(8,000)
At 31 August 2017	2,275,000	2,318,000
Changes in the fair value of the academy trust's share of scheme assets	2017 £	2016 £
Assets at 1 September 2016	1,138,000	845,000
Interest income	24,000	35,000
Actuarial gain	-	113,000
Employer contributions	118,000	110,000
Employee contributions	46,000	43,000
Benefits paid	(8,000)	(8,000)
At 31 August 2017	1,318,000	1,138,000

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(174,070)	(27,039)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(8,147)	(118,859)
Investment income receivable	(726)	(907)
Defined benefit pension costs less contributions payable	165,000	38,000
Defined benefit pension net finance cost	23,000	13,000
Depreciation of tangible fixed assets	140,308	126,547
(Increase) in debtors	(60,274)	(33,907)
Increase/(decrease) in creditors	101,708	(57,297)
Net cash provided by operating activities	186,799	(60,462)

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	9,396	32,038
Amounts due in two and five years	10,412	19,808
	19,808	51,846

21 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the accounts	7,750	-

22 Related party transactions

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

No related party transactions took place in the period of account.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 as stated in memorandum and articles of association for the debts and liabilities contracted before he or she ceases to be a member.