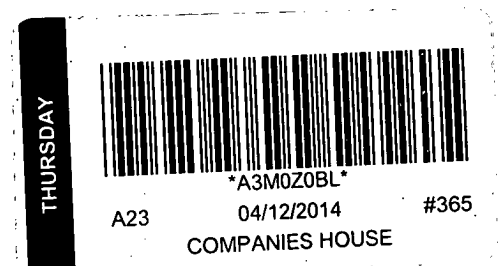


Company Registration No. 08803924 (England and Wales)

SUNNYSIDE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2014



SUNNYSIDE ACADEMY

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SUNNYSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs M Madden
Mr C Geddes
Mrs N Fox

Trustees

Mrs M Madden (Chair) (Appointed 5 December 2013) *
Mr C Geddes (Vice Chair) (Appointed 5 December 2013) *
Mrs N Fox (Appointed 5 December 2013)
Mr M Allen-Mulroy (Appointed 5 December 2013) *
Mrs W Atkinson (Appointed 5 December 2013)
Mr A Dunn (Accounting Officer) (Appointed 28 January 2014) *
Mrs S Lipthorpe (Appointed 1 January 2014)
Mr M Barry (Appointed 28 January 2014)
Mrs G Holborn (Appointed 28 January 2014) *
Mrs Karen Edmenson (Appointed 1 January 2014)
Mrs D Whitehead (Appointed 1 January 2014) *
Mrs S Welburn (Appointed 1 January 2014)

* members of the Finance and Resources/Audit Committee

Senior management team

- Headteacher	A Dunn
- Deputy Headteacher	P Myers
- Assistant Headteacher	J Patterson
- Director of Resources	S Tuffin

Company registration number

08803924 (England and Wales)

Registered office

Manor Farm Way
Coulby Newham
Middlesbrough
TS8 0RJ

Internal auditor

Mouchel Business Services
4th Floor, Middlesbrough House
50 Corporation Road
Middlesbrough
TS1 2YQ

Independent auditor

Evolution Business and Tax Advisors LLP
10 Evolution
Wynyard Park
Wynyard
TS22 5TB

Bankers

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

SUNNYSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

SUNNYSIDE ACADEMY

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 5 December 2013 to 31 August 2014. 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 363 in the school census on 16 January 2014.

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 PERIOD ENDED 31 AUGUST 2014

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 PERIOD ENDED 31 AUGUST 2014

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 Headteacher, 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.

Connected organisations including related party relationships

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.

The Head Teachers of the six 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.

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 3-16. 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.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

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 and there has been developing partnership with Stockton, The Netherlands and France through the Comenius project to raise global awareness and educate pupils about cultural differences and similarities.

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 on a termly basis. The RA Committee also scrutinises the results of pupils who take part in year-end tests such as Key Stage 1 or Key Stage 2 SAT 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.

Strategic report

Achievements and performance

Achievements in the period

The pupils at Sunnyside Academy showed an improvement in academic performance in 2014. 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. 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 literacy and numeracy at the end of Year 3. At present we have 36 HI, 16 VI and 29 High Needs children at Sunnyside. All of these pupils are included in our test results published by DFE even though the majority of them are cognitively unable to take a SAT test. In some years this means our test results can be suppressed by around 30% in comparison with other mainstream primary schools and Academy's. We are proud of the achievements of all of our pupils at Sunnyside.

In 2014 45% of our Reception aged children achieved a good level of development when measured against the Foundation Stage Profile. This increased to 54% of the year group when our HI and VI base children are not included in the calculation. These figures improved from 10% and 12% respectively in 2013.

65% of our whole cohort of Year 1 children passed their Phonic Screening test in 2014. This figure increases to 71% of the year group when base children are not included in the calculation.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Key performance indicators

Key stage results

At Key Stage 1 our results were as follows in 2014.

	Whole Cohort	All tested children	Mainstream children.
Achieving Level 2b+ in Reading	76%	82%	82%
Achieving Level 2b+ in Writing	68%	74%	74%
Achieving Level 2b+ in Maths	84%	91%	91%

At Key Stage 2 our results were as follows in 2014.

	Whole Cohort	All tested children	Mainstream children.
	46 children	35 children	32 children
Achieving Level 4+ in Reading	70%	94%	94%
Achieving Level 4+ in Writing	65%	86%	88%
Achieving Level 4+ in Maths	65%	86%	84%
Achieving Level 4+ in Grammar	56%	74%	75%

Pupil Attendance Data

Attendance at Sunnyside stood at 94.5% for the academic year 2013/14. Our attendance figures are affected by the needs of a large minority of our pupils who due to their SEND may need time away from school to attend hospital or clinic appointments.

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 PERIOD ENDED 31 AUGUST 2014

Financial review

Around half of the Academy's income is received from the Education Funding Agency [EFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 20. Details of all grants and income received can be found in notes 2 to 5.

During the period ended 31 August 2014 expenditure amounting to £1,762,856 was incurred or accrued, including depreciation. This was offset by grants receivable from the EFA, 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 2014 the net book value of fixed assets was £4,424,556. The assets were used exclusively to provide education and associated services to the students of the Academy.

The Academy made total operating surpluses in the period to 31 August 2014 of £4,607,308. As this is the Academy's first reporting period, this includes income inherited on conversion to Academy status of £4,568,113 and the Local Government Pension Scheme deficit inherited of £251,000. Actual operating surplus on activities undertaken during the year amounts to £290,195.

Total income excluding the donated assets in the period was £1,802,051 of which £1,336,239 came from the EFA revenue grants and £395,626 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. Land and buildings were professionally valued at £4,286,000.

Fund balances held at 31 August 2014 were £196,752 comprising restricted reserves of £100,492 And unrestricted reserves of £96,260.

The governing Body of the Academy have adopted the following policies relating to Finance and Governance during 2013-2014:

- Finance Handbook
- Articles of Association
- Funding Agreement
- Whistleblowing Policy
- Competitive Tendering Policy
- Antifraud Policy
- Alliance Insurance Policy
- ICT Leasing Policy
- Lettings Policy
- Academy Pay Policy
- Charging and Remissions Policy
- Risk Register

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 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.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

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.

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 risks have been reviewed regularly. A Risk Management Policy has been created and a risk register which will be reviewed at each Finance and Resources Committee meeting.

One risk the Academy 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 and there is a need for additional classroom space and capital funding is to be sought; a strategy to secure funds needs to be developed.

As this report is prepared the academy does not yet have the actuarial valuation of the pension schemes. This uncertainty is a risk to the academy as is not being in control of the pension and National Insurance contributions.

Given it is the first period as an Academy, the Director of Resources has worked closely with Evolution Business and Tax Advisors LLP to ensure financial systems are secure.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Plans for future periods

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

Sunnyside Academy are holding a fund on behalf of the five primary academies of the Umbrella Trust. This fund contains the balance of the Primary Chains Grant received from the EFA. At the 31 August 2014 the balance was £23,648.

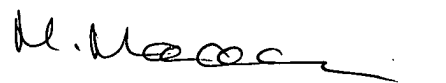
Auditor

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 that Evolution Business and Tax Advisors LLP 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, on 25 November 2014 and signed on its behalf by:



Mrs M Madden
Chair

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

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 , 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 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs M Madden (Chair) (Appointed 5 December 2013)	2	2
Mr C Geddes (Vice Chair) (Appointed 5 December 2013)	1	2
Mrs N Fox (Appointed 5 December 2013)	2	2
Mr M Allen-Mulroy (Appointed 5 December 2013)	2	2
Mrs W Atkinson (Appointed 5 December 2013)	2	2
Mr A Dunn (Accounting Officer) (Appointed 28 January 2014)	2	2
Mrs S Liphthorpe (Appointed 1 January 2014)	2	2
Mr M Barry (Appointed 28 January 2014)	2	2
Mrs G Holborn (Appointed 28 January 2014)	2	2
Mrs Karen Edmenson (Appointed 1 January 2014)	2	2
Mrs D Whitehead (Appointed 1 January 2014)	2	2
Mrs S Welburn (Appointed 1 January 2014)	1	2

A self-evaluation review of the Governing Body is underway and should be completed by September 2014.

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, two meetings have been held.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Miss M Madden (Appointed 5 December 2013)	2	2
Mr C Geddes (Chair of committee) (Appointed 5 December 2013)	2	2
Mr M Allen-Mulroy (Appointed 5 December 2013)	2	2
Mr A Dunn (Appointed 28 January 2014)	2	2
G Holborn (Appointed 28 January 2014)	2	2
D Whitehead (Appointed 1 January 2014)	1	2

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED) **FOR THE PERIOD ENDED 31 AUGUST 2014**

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 5 December 2013 to 31 August 2014 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 5 December 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and 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 Mouchel Business Services as internal auditor whose role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. 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. As the academy had only just converted in January 2014 and a great deal of support was given by both Mouchel and Evolution, the first term was not audited. The first review therefore took place in August 2014.

No material control issues were raised in the internal audit report. Recommendations were given on how to improve consistency and effectiveness e.g. 'Not all invoices have evidence that they have been checked to the receipt of goods' and 'Not all invoices have a corresponding order'.

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:

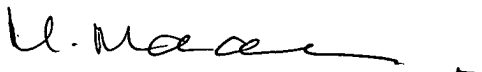
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Director of Resources who has responsibility for the development and maintenance of the internal control framework.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

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 on 25 November 2014 and signed on its behalf by:



Mrs M Madden
Chair



Mr A Dunn
Accounting Officer

2

SUNNYSIDE ACADEMY

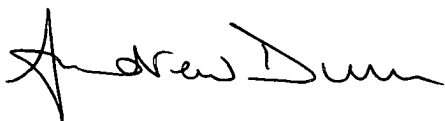
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2014

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

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.

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 EFA.

Approved on 25 November 2014 and signed by:



Mr A Dunn
Accounting Officer

SUNNYSIDE ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 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:

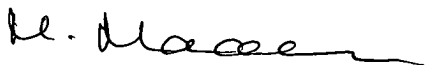
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 the EFA/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 25 November 2014 and signed on its behalf by:



Mrs M Madden
Chair

SUNNYSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNNYSIDE ACADEMY

We have audited the accounts of Sunnyside Academy for the period ended 31 August 2014 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Sunnyside Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the accounts are prepared is consistent with the accounts.

SUNNYSIDE ACADEMY

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Graham Fitzgerald BA FCA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants

Statutory Auditor

10 Evolution
Wynyard Park
Wynyard
TS22 5TB

Dated: 25 November 2014

SUNNYSIDE ACADEMY

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

In accordance with the terms of our engagement letter dated 25 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sunnyside Academy during the period 5 December 2013 to 31 August 2014 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 the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sunnyside Academy and the EFA 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 the Sunnyside Academy and the EFA, 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 2013, 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 2013 to 2014. 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 5 December 2013 to 31 August 2014 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 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of termly Internal Audit reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of all leases in place
- consideration of transactions with related parties
- review of register of business interests and consideration of related party transactions

SUNNYSIDE ACADEMY

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

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 5 December 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Evolution

Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: 25 November 2014

SUNNYSIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £
Incoming resources	Notes				
<i>Resources from generated funds</i>					
- Inherited on conversion	22	271,837	(251,000)	4,296,276	4,317,113
- Activities for generating funds	2	46,689	-	-	46,689
- Investment income	3	292	-	-	292
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	13,205	1,734,327	7,538	1,755,070
Total incoming resources		<u>332,023</u>	<u>1,483,327</u>	<u>4,303,814</u>	<u>6,119,164</u>
Resources expended					
<i>Costs of generating funds</i>					
- Fundraising trading	5	46,549	-	-	46,549
<i>Charitable activities</i>					
- Educational operations	6	13,205	1,593,220	58,550	1,664,975
Governance costs	7	-	51,431	-	51,431
Total resources expended	5	<u>59,754</u>	<u>1,644,651</u>	<u>58,550</u>	<u>1,762,955</u>
Net incoming/(outgoing) resources before transfers		272,269	(161,324)	4,245,264	4,356,209
Gross transfers between funds		(176,009)	(3,184)	179,193	-
Net income/(expenditure) for the period		96,260	(164,508)	4,424,457	4,356,209
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(101,000)	-	(101,000)
Net movement in funds		96,260	(265,508)	4,424,457	4,255,209
Fund balances at 5 December 2013		-	-	-	-
Fund balances at 31 August 2014		<u>96,260</u>	<u>(265,508)</u>	<u>4,424,457</u>	<u>4,255,209</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the financial period above.

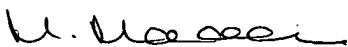
SUNNYSIDE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£
Fixed assets			
Tangible assets	10		4,424,457
Current assets			
Debtors	11	85,834	
Cash at bank and in hand		383,950	
		<u>469,784</u>	
Creditors: amounts falling due within one year	12	(273,032)	
Net current assets			<u>196,752</u>
Total assets less current liabilities			<u>4,621,209</u>
Defined benefit pension liability	16	(366,000)	
Net assets			<u><u>4,255,209</u></u>
Funds of the academy trust:			
Restricted income funds	14		
- Fixed asset funds			4,424,457
- General funds			100,492
- Pension reserve			<u>(366,000)</u>
Total restricted funds			<u>4,158,949</u>
Unrestricted funds	14		<u>96,260</u>
Total funds			<u><u>4,255,209</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 25 November 2014.



Mrs M Madden
Chair

Company Number 08803924

SUNNYSIDE ACADEMY

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	31 August 2014 £
Net cash inflow/(outflow) from operating activities	17	291,014
Cash funds transferred on conversion		271,837
Returns on investments and servicing of finance		
Investment income		292
		<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		292
		<hr/>
		563,143
Capital expenditure and financial investments		
Capital grants received		7,538
Payments to acquire tangible fixed assets		(186,731)
		<hr/>
Net cash flow from capital activities		(179,193)
		<hr/>
Increase/(decrease) in cash	18	383,950
		<hr/> <hr/>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Sunnyside Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the period for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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 is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.6 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.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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:

Land	Not depreciated
Leasehold buildings	2% straight line
Assets under construction	Not depreciated
Computer equipment	50% straight line
Fixtures, fittings and 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.

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.

1.7 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 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.

1.9 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 quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education or other 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 Funding Agency/Department for Education.

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £
Hire of facilities	5,422	-	5,422
Catering income	30,278	-	30,278
Trips	1,984	-	1,984
Other income	9,005	-	9,005
	<u>46,689</u>	<u>-</u>	<u>46,689</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £
Short term deposits	292	-	292
	<u>292</u>	<u>-</u>	<u>292</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £
DfE / EFA grants			
General annual grant (GAG)	-	1,161,302	1,161,302
Start up grants	-	25,000	25,000
Capital grants	-	7,538	7,538
Other DfE / EFA grants	-	142,399	142,399
	-	1,336,239	1,336,239
Other government grants			
Local authority grants	-	395,626	395,626
Other funds			
Other incoming resources	13,205	10,000	23,205
Total funding	13,205	1,741,865	1,755,070

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £
Academy's educational operations				
- Direct costs	1,216,854	-	52,756	1,269,610
- Allocated support costs	166,873	106,579	121,913	395,365
	1,383,727	106,579	174,669	1,664,975
Other expenditure				
Costs of activities for generating funds	5,422	-	41,127	46,549
Governance costs	-	-	51,431	51,431
	5,422	-	92,558	97,980
Total expenditure	1,389,149	106,579	267,227	1,762,955
Incoming/outgoing resources for the year include:				2014 £
Operating leases				
- Plant and machinery				14,461
Fees payable to auditor				
- Audit				6,000
- Other non-audit fees				4,085

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £
Direct costs			
Teaching and educational support staff costs	13,205	1,197,944	1,211,149
Technology costs	-	8,029	8,029
Educational supplies and services	-	39,240	39,240
Staff development	-	5,705	5,705
Other direct costs	-	5,487	5,487
	<u>13,205</u>	<u>1,256,405</u>	<u>1,269,610</u>
Allocated support costs			
Support staff costs	-	166,873	166,873
Depreciation	-	58,550	58,550
Technology costs	-	5,139	5,139
Maintenance of premises and equipment	-	48,029	48,029
Cleaning	-	26,354	26,354
Energy costs	-	27,603	27,603
Rates and water	-	9,678	9,678
Insurance	-	24,879	24,879
Security and transport	-	604	604
Catering	-	23,974	23,974
Interest and finance costs	-	(2,000)	(2,000)
Other support costs	-	5,682	5,682
	<u>-</u>	<u>395,365</u>	<u>395,365</u>
Total costs	<u>13,205</u>	<u>1,651,770</u>	<u>1,664,975</u>

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £
Legal and professional fees	-	41,346	41,346
Auditor's remuneration			
- Audit of financial statements	-	6,000	6,000
- Other non-audit fees	-	4,085	4,085
	<u>-</u>	<u>51,431</u>	<u>51,431</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

8 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the period expressed as full time equivalents was as follows:

	2014 Number
Teachers	53
Administration and support	7
Management	2
	<u>62</u>

Costs included within the accounts:

	2014 £
Wages and salaries	1,105,157
Social security costs	70,750
Other pension costs	166,040
	<u>1,341,947</u>
Supply teacher costs	41,497
Staff development and other staff costs	5,705
	<u>1,389,149</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number
£60,001 - £65,000	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014
Teachers' Pension Scheme	Numbers	1
	£	<u>9,425</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

9 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 period, no expenses were reimbursed to trustees.

The value of trustees' remuneration for the eight month period was as follows:

A Dunn (headteacher)	£40,001 - £45,000
M Barry (staff governor and trustee)	£25,001 - £30,000
G Holborn (staff governor and trustee)	£20,001 - £25,000
S Liphorpe (staff governor and trustee)	£10,001 - £15,000

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

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 period ended 31 August 2014 was £535.

10 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 5 December 2013	-	-	-	-	-
Additions	38,764	137,245	6,377	4,345	186,731
Transferred on conversion	4,286,000	-	3,250	7,026	4,296,276
At 31 August 2014	4,324,764	137,245	9,627	11,371	4,483,007
Depreciation					
At 5 December 2013	-	-	-	-	-
Charge for the period	54,019	-	2,817	1,714	58,550
At 31 August 2014	54,019	-	2,817	1,714	58,550
Net book value					
At 31 August 2014	4,270,745	137,245	6,810	9,657	4,424,457

Land and buildings were valued using the Depreciation Replacement Cost Method on 28 November 2013 by Martin Catley MRICS on behalf of Mouchel.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

11 Debtors	2014
	£
Trade debtors	316
VAT recoverable	36,031
Prepayments and accrued income	49,487
	<u>85,834</u>
	<u><u>85,834</u></u>
 12 Creditors: amounts falling due within one year	 2014
	£
Trade creditors	70,448
Taxes and social security costs	27,114
Other creditors	29,398
Accruals	99,862
Deferred income	46,210
	<u>273,032</u>
	<u><u>273,032</u></u>
 13 Deferred income	 2014
	£
Deferred income is included within:	
Creditors due within one year	46,210
	<u>46,210</u>
	<u><u>46,210</u></u>
 Total deferred income at 5 December 2013	 -
Amounts credited to the statement of financial activities	-
Amounts deferred in the period	46,210
	<u>46,210</u>
 Total deferred income at 31 August 2014	 46,210
	<u><u>46,210</u></u>

Deferred income includes Universal Infant Free School Meals funding received in advance of the next financial period.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

14 Funds

	Balance at 5 December 2013	Incoming resources	Resources Gains, losses expended and transfers	Balance at 31 August 2014
	£	£	£	£
Restricted general funds				
General Annual Grant	-	1,161,302	(1,089,206)	68,912
Start up grants	-	25,000	(25,000)	-
Other DfE / EFA grants	-	142,399	(120,819)	21,580
Other government grants	-	395,626	(395,626)	-
Other restricted funds	-	10,000	-	10,000
Funds excluding pensions	-	1,734,327	(1,630,651)	100,492
Pension reserve	-	(251,000)	(14,000)	(366,000)
	-	1,483,327	(1,644,651)	(265,508)
Restricted fixed asset funds				
DfE / EFA capital grants	-	7,538	(1,734)	5,804
Inherited fixed asset fund	-	4,296,276	(56,174)	4,240,102
Capital expenditure from GAG or other funds	-	-	(642)	178,551
	-	4,303,814	(58,550)	4,424,457
Total restricted funds	-	5,787,141	(1,703,201)	4,158,949
Unrestricted funds				
General funds	-	332,023	(59,754)	96,260
Total funds	-	6,119,164	(1,762,955)	4,255,209

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

14 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 2014.

Other DfE/EFA grants includes pupil premium funding targeted at disadvantaged pupils, Primary Chains Funding and a sport grant.

Other government grants includes early years funding for three and four year old children, SEN funding for pupils with special educational needs and specialist funding for children with hearing and vision needs.

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/EFA capital grants consist of the devolved capital grant.

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 be 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 £196,752 as at 31 August 2014.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	4,424,457	4,424,457
Current assets	96,260	373,524	-	469,784
Creditors: amounts falling due within one year	-	(273,032)	-	(273,032)
Defined benefit pension liability	-	(366,000)	-	(366,000)
	<u>96,260</u>	<u>(265,508)</u>	<u>4,424,457</u>	<u>4,255,209</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 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 the Teesside Pension Fund. Both are 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 2014 and of the LGPS 31 March 2013.

Contributions amounting to £28,759 were payable to the schemes at 31 August 2014 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 per cent for employers and 5.5 - 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £94,000.

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.

	2014 £
Employer's contributions	61,000
Employees' contributions	24,000
Total contributions	85,000

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2014 %
Rate of increase in salaries	3.6
Rate of increase for pensions in payment	2.1
Discount rate for scheme liabilities	3.7
Inflation assumption (CPI)	2.1

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

	2014 Years
Retiring today	
- Males	22.9
- Females	25.4
Retiring in 20 years	
- Males	25.1
- Females	27.7

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2014 Expected return %	2014 Fair value £
Equities	7.5	589,478
Government bonds	2.9	13,642
Corporate bonds	3.3	31,592
Cash	1.1	28,002
Property	6.8	38,772
Other assets	7.5	16,514
Total market value of assets		718,000
Present value of scheme liabilities - funded		(1,084,000)
Net pension asset / (liability)		(366,000)

A building block approach is used to determine the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is the derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at the accounting date.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations	(Continued)
Operating costs and income recognised in the statement of financial activities	
	2014
	£
Financial expenditure/(income)	
Expected return on pension scheme assets	(28,000)
Interest on pension liabilities	26,000
	<u>(2,000)</u>
Other expenditure/(income)	
Current service cost	77,000
Past service cost	-
	<u>77,000</u>
Total operating charge/(income)	<u>75,000</u>
Actuarial gains and losses recognised in the statement of financial activities	
	2014
	£
Actuarial (gains)/losses on assets: actual return less expected	(4,000)
Experience (gains)/losses on liabilities	105,000
(Gains)/losses arising from changes in assumptions	-
	<u>101,000</u>
Total (gains)/losses	<u>101,000</u>
Cumulative (gains)/losses to date	<u>101,000</u>
Movements in the present value of defined benefit obligations were as follows:	
	2014
	£
Obligations acquired on conversion	(853,000)
Current service cost	(77,000)
Interest cost	(26,000)
Contributions by employees	(24,000)
Actuarial gains/(losses)	(105,000)
Benefits paid	1,000
	<u>(1,084,000)</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

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

	2014 £
Assets acquired on conversion	602,000
Expected return on assets	28,000
Actuarial gains/(losses)	4,000
Contributions by employers	61,000
Contributions by employees	24,000
Benefits paid	(1,000)
	<u>718,000</u>

History of experience gains and losses:

	2014 £
Present value of defined benefit obligations	(1,084,000)
Fair value of share of scheme assets	<u>718,000</u>
Surplus / (deficit)	<u>(366,000)</u>
Experience adjustment on scheme liabilities	(105,000)
Experience adjustment on scheme assets	<u>4,000</u>

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £
Net income	4,356,209
Capital grants and similar income	(7,538)
Net deficit/(surplus) transferred on conversion	(4,317,113)
Investment income	(292)
FRS17 pension costs less contributions payable	16,000
FRS17 pension finance income	(2,000)
Depreciation of tangible fixed assets	58,550
(Increase)/decrease in debtors	(85,834)
Increase/(decrease) in creditors	273,032
Net cash inflow/(outflow) from operating activities	<u>291,014</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

18	Reconciliation of net cash flow to movement in net funds	2014 £
	Increase/(decrease) in cash	383,950
	Net funds at 5 December 2013	-
	Net funds at 31 August 2014	383,950

19	Analysis of net funds					
		At 5 December 2013 £	Transferred on conversion £	Cash flows £	Non-cash changes £	At 31 August 2014 £
	Cash at bank and in hand	-	271,837	112,113	-	383,950

20 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £
Expiry date:	
- Between two and five years	39,601

21 Related parties

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

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

22 Conversion to an academy

On 1 January 2014 Sunnyside Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sunnyside Academy from the Middlesbrough Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Funds surplus/(deficit) transferred:	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total 2014 £
Fixed assets funds	-	-	4,296,276	4,296,276
LA budget funds	271,837	-	-	271,837
LGPS pension funds	-	(251,000)	-	(251,000)
	<u>271,837</u>	<u>(251,000)</u>	<u>4,296,276</u>	<u>4,317,113</u>
Net assets transferred:				£
Leasehold land and buildings				4,296,276
Cash				271,837
Pension surplus/(deficit)				(251,000)
				<u>4,317,113</u>

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 for the debts and liabilities contracted before he or she ceases to be a member.