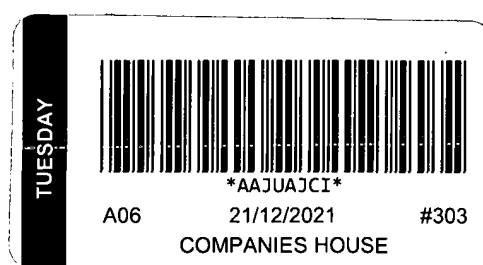


Company Registration No. 08803924 (England and Wales)

SUNNYSIDE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



SUNNYSIDE ACADEMY

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SUNNYSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair	Mrs M Madden
- Vice chair	Mr C Geddes
	Mrs R Broad

Trustees

Mrs M Madden (Chair)
Mr C S Geddes (Vice Chair)
Mrs J Sutton (Accounting Officer)
Mrs C Hall
Mrs R Rathmell
Mrs R C Broad
Mrs L Colebrook (Wishart)
H B Pickard (Appointed 21 April 2021)
Mrs S L Heard (Resigned 25 November 2020)
Mrs D Whitehead (Resigned 23 December 2020)

Senior management team

- Headteacher	J Sutton
- Deputy Headteacher	C Hall
- Assistant Headteacher	D Kelly, R Rathmell
- Academy Business Manager	S Powell

Company registration number 08803924 (England and Wales)

Registered office

Manor Farm Way
Coulby Newham
Middlesbrough
TS8 0RJ
United Kingdom

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB
United Kingdom

Bankers

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

SUNNYSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

First North Law
County Hall
Racecourse Lane
Northallerton
DL7 8AD
United Kingdom

SUNNYSIDE ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

The academy trust operates a primary academy in Coulby Newham, Middlesbrough. Its academy has a combined pupil capacity of 447 and had a roll of 329 in the school census on 21 January 2021.

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.

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

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;

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.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

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

The Headteacher is the Accounting Officer.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 supported by North Yorkshire (NYES) 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.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	407
Total pay bill	£
Percentage of the total pay bill spent on facility time	0.006%

Paid trade union activities

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

Unpaid facility time (The academy covers the cost but is not reimbursed in any way)

Related parties and other connected charities and organisations

The school has applied to the RSC to join a Multi-Academy trust – Ad Astra. The school is now currently carrying out due diligence with this Multi Academy Trust. Full consultation has not yet been carried out as it is in its earliest stages of partnership enquiry.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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. Everyone 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:

Pupil data is collected and analysed termly. Team leaders undertake pupil progress meetings hold individual members of staff to account for the progress of pupils in their care. Any interventions which may be necessary to further enhance the progress made by any individual will be discussed and evaluated at these meetings. A summary of the progress made by pupils is then presented to the Governors scrutiny panel within each term. The Governing Body also scrutinises the overall results for year-end results. Sunnyside Academy is actively exploring the options to join with a local MAT in order to build capacity and sustain improvement.

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

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 classification 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.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

School Headlines: Sunnyside Academy				
School Context				
		2019	2020	2021
Number on roll		371	344	329
% girls		47.2%	51.7%	49.24%
% boys		52.8%	48.35%	50.76%
Number of KS1-2 Lower Attaining Pupils		14	*	*
Number of KS1-2 Middle Attaining Pupils		29	*	*
Number of KS1-2 Higher Attaining Pupils		8	*	*
Number of End of KS2 pupils without KS1 Data		2	2	1
% of disadvantaged Pupils (PP)		35.6%	42.7%	43.8%
% of Minority Ethnic Groups		6.5%	4.3%	8.2%
% EAL		0.8%	1.2%	1.8%
% SEN		33.2%	36%	35.6%
% Absence		0%	*	*
Persistent Absence		0%	*	*
Early Years Foundation Stage Profile				
		2019	2020	2021
Good Level of Development (GLD) %		56.8%	52.1%**	51.5%
Key Stage 1 Phonics				
		2019	2020	2021
% Wa	Year 1	64.4%	64%**	62.5%
	By End of Year 2	69%	55%	22%
Key Stage 1				
		2019	2020	2021
% Expected Standard	Reading	57.1%	53%**	63%**
	Writing	52.4%	47%**	49%**
	Maths	52.4%	51%**	54%**
% Greater Depth	Reading	33.3%	27%**	22%**
	Writing	21.4%	11%**	17%**
	Maths	28.6%	24%**	17%**
Key Stage 2				
		2019	2020	2021
% Expected Standard	Reading, Writing & Maths	34.0%	47%**	45%**
	Reading	47.2%	49%**	51%**
	Writing TA	56.6%	47%**	47%**
	GPS	52.8%	53%**	49%**
	Maths	50.9%	53%**	47%**
% Higher Standard/ Greater Depth	Reading, Writing & Maths	1.9%	15%**	9.8%**
	Reading	9.4%	19%**	11.8%**
	Writing TA	9.4%	17%**	9.8%**
	GPS	3.8%	15%**	11.8%**
	Maths	13.2%	15%**	11.8%**

*Data unavailable due to COVID19

** No SAT data due to COVID therefore TA based

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 32. Details of all grants and income received can be found in notes 3 to 6.

During the period ended 31 August 2021 expenditure amounting to £3,029,597 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 2021 the net book value of fixed assets was £4,095,375. 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 2021 of £43,647 after allowing for LGPS charges.

Total income excluding capital grants in the period was £3,073,244 of which £2,407,257 came from the ESFA revenue grants and £600,459 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 2021 were £432,010 comprising restricted reserves of £253,043 and unrestricted reserves of £178,967.

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 2020/21 was 14.1% with 8.2% 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 cover expenditure in future years, in order to prevent the school falling into a deficit situation.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Investment policy

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 admission numbers both in Mainstream and in the HI and VI bases. The HNB remains stable at 25 pupil capacity. The latter pupils carry with them a greater amount of funding than mainstream pupils and yet the numbers may fluctuate more rapidly. Aware of the falling demand for HI places, the academy had developed a strategic and financial plan to manage the impact. This includes both the none replacement of staff as they leave were possible and the development of the HI services provided including current specialist staff working outside of the immediate academy.

The national pandemic has impacted on the day to day organisation of the academy. This has impacted on the budget by incurring additional expenditure which was not recoverable and also limited the schools activities that raise supplementary income for example, lettings and fund raising events.

The Academy Business Manager has worked closely with Azets Audit Services to ensure financial systems are secure.

Fundraising

Operating effective control over fundraising is a vital part of the Governing Bodies compliance with their legal duties.

The academy complies with the Charities (Protection and Social Investments) Act 2016 and using Charity fundraising: a guide to trustee duties (CC20) as reference.

The academy approaches fundraising as an additional supplement to its annual income. This fundraising enables the children to gain additional experiences both in and out of the classroom. Fundraising is undertaken by the staff, children and the Friends of Sunnyside group. During this academic year the academy did not use any external fundraisers. Fundraising conforms to the recognised standards. Fundraising is monitored by external and internal audit processes. There have been no complaints regarding fundraising.

SUNNYSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

The school is actively looking to join a Multi academy trust which would further strengthen and underpin the above objectives.

Funds held as custodian trustee on behalf of others

The trust does not hold any funds on behalf of others.

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 Azets Audit Services 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 07 December 2021 and signed on its behalf by:



Mrs M Madden
Chair

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 10 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)	7	7
Mr C S Geddes (Vice Chair)	5	7
Mrs J Sutton (Accounting Officer)	7	7
Mrs C Hall	7	7
Mrs R Rathmell	7	7
Mrs R C Broad	5	7
Mrs L Colebrook (Wishart)	6	9
H B Pickard (Appointed 21 April 2021)	2	2
Mrs S L Heard (Resigned 25 November 2020)	0	0
Mrs D Whitehead (Resigned 23 December 2020)	0	0

A self-evaluation review of the Governing Body was scheduled for June 2020 but due to the national restrictions this was postponed until the Autumn term 2020. However this has been postponed again due the future plans for joining a MAT and consequent changes to the governing structure.

The governing body meetings are now always full governing body meetings with alternate focuses between finance and resources, and school improvement in coordination with the related scrutiny groups.

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. 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.

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 in 1978 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.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

2020/21 Y6 Cohort

Any cohort of children at Sunnyside consists of:

- Mainstream children with no SEND.
- Mainstream children with SEND.
- Hearing impaired children.
- Vision 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 2020/21 the Y6 cohort consisted of 49 pupils broken down as follows.

- 5 HI children. EHCP
- 2 VI children. EHCP
- 1 Multi-sensory child EHCP
- 35 SEND pupils

2. Robust governance and oversight of Academy Trust Finances

The Academy benefits from the provision by North Yorkshire 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.

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 Academy has formally applied to join Ad Astra Multi Academy Trust.-Through this partnership it is hoped that best value can be realised in such areas as insurance, buildings management and legal services. 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.

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 Review and Development Plan.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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.

Following the requirement for the internal audit to be carried out by an auditor other than the auditors carrying out the year end audit, the academy has now engaged Clive Owen LLP for this function.

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:

- Procurement
- Payroll
- Human Resources and Staffing

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.

SUNNYSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The auditor has delivered their schedule of work as planned.

The audits highlighted a number of low risk findings, all of which have been accepted and addressed by the trust.

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 external auditor ;
- The work of the internal auditor
- the financial management and governance self-assessment process;
- the work of the Academy Business Manager 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 on 07 December 2021 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 2021

As accounting officer of Sunnyside Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Mrs J Sutton
Accounting Officer

07 December 2021

SUNNYSIDE ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who 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 Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 members of the board of trustees on 07 December 2021 and signed on its behalf by:



Mrs M Madden
Chair

SUNNYSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNNYSIDE ACADEMY FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Sunnyside Academy for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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.

SUNNYSIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the 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 has been prepared in accordance with applicable legal requirements.

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 accounts

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.

SUNNYSIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

SUNNYSIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our 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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

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

16/12/2021
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
United Kingdom
TS22 5TB

SUNNYSIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 1 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sunnyside Academy during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

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

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

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

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

SUNNYSIDE ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2021

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: 16/12/2021

SUNNYSIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	7,693	7,935
Charitable activities:					
- Funding for educational operations	4	15,192	3,025,716	-	3,040,908
Other trading activities	5	32,079	-	-	32,079
Investments	6	257	-	-	257
Total		47,528	3,025,716	7,693	3,080,937
Expenditure on:					
Raising funds	7	15,183	-	-	15,183
Charitable activities:					
- Educational operations	8	39,849	3,265,565	138,762	3,444,176
Total	7	55,032	3,265,565	138,762	3,459,359
Net expenditure		(7,504)	(239,849)	(131,069)	(378,422)
Transfers between funds	16	-	(3,689)	3,689	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(118,000)	-	(118,000)
Net movement in funds		(7,504)	(361,538)	(127,380)	(496,422)
Reconciliation of funds					
Total funds brought forward		186,471	(2,427,419)	4,222,755	1,981,807
Total funds carried forward		178,967	(2,788,957)	4,095,375	1,485,385

SUNNYSIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	7,935	7,935
Charitable activities:					
- Funding for educational operations	4	24,816	2,986,238	-	3,011,054
Other trading activities	5	61,328	-	-	61,328
Investments	6	264	-	-	264
Total		<u>86,408</u>	<u>2,986,238</u>	<u>7,935</u>	<u>3,080,581</u>
Expenditure on:					
Raising funds	7	48,218	-	-	48,218
Charitable activities:					
- Educational operations	8	25,157	3,215,877	153,843	3,394,877
Total	7	<u>73,375</u>	<u>3,215,877</u>	<u>153,843</u>	<u>3,443,095</u>
Net income/(expenditure)		13,033	(229,639)	(145,908)	(362,514)
Transfers between funds	16	-	(9,236)	9,236	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(727,000)	-	(727,000)
Net movement in funds		13,033	(965,875)	(136,672)	(1,089,514)
Reconciliation of funds					
Total funds brought forward		<u>173,438</u>	<u>(1,461,544)</u>	<u>4,359,427</u>	<u>3,071,321</u>
Total funds carried forward		<u>186,471</u>	<u>(2,427,419)</u>	<u>4,222,755</u>	<u>1,981,807</u>

SUNNYSIDE ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		4,095,375		4,214,820
Current assets					
Debtors	13	116,100		256,862	
Cash at bank and in hand		493,820		326,486	
		609,920		583,348	
Current liabilities					
Creditors: amounts falling due within one year	14	(177,910)		(183,361)	
Net current assets			432,010		399,987
Net assets excluding pension liability			4,527,385		4,614,807
Defined benefit pension scheme liability	18		(3,042,000)		(2,633,000)
Total net assets			1,485,385		1,981,807
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,095,375		4,222,755
- Restricted income funds			253,043		205,581
- Pension reserve			(3,042,000)		(2,633,000)
Total restricted funds			1,306,418		1,795,336
Unrestricted income funds	16		178,967		186,471
Total funds			1,485,385		1,981,807

The accounts on pages 23 to 47 were approved by the trustees and authorised for issue on 07 December 2021 and are signed on their behalf by:



Mrs M Madden
Chair

Company Number 08803924

SUNNYSIDE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		178,701		(108,092)
Cash flows from investing activities					
Dividends, interest and rents from investments		257		264	
Capital grants from DfE Group		7,693		7,935	
Purchase of tangible fixed assets		(19,317)		(9,236)	
Net cash used in investing activities			(11,367)		(1,037)
Net increase/(decrease) in cash and cash equivalents in the reporting period			167,334		(109,129)
Cash and cash equivalents at beginning of the year			326,486		435,615
Cash and cash equivalents at end of the year			493,820		326,486

SUNNYSIDE ACADEMY

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

1 Accounting policies

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, 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

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 2021

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 accounts 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.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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
Leasehold improvements	2% straight line
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.

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. Leasehold land is depreciated over 125 years.

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 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

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.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure 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.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and buildings

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 land and buildings are valued on the basis of valuations provided by the ESFA

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	7,693	7,693	7,935
	=====	=====	=====	=====

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,070,201	2,070,201	2,005,509
Other DfE / ESFA grants:				
UIFSM	-	33,009	33,009	40,890
Pupil premium	-	179,466	179,466	177,656
Teachers pension grants	-	63,440	63,440	65,244
Teachers pay grants	-	16,104	16,104	16,744
PE and sports premium	-	18,800	18,800	18,900
Rates	-	5,837	5,837	5,551
Others	-	-	-	600
	-	2,386,857	2,386,857	2,331,094
Covid-19 additional funding (DfE/ESFA)				
Catch-up premium	-	38,400	38,400	-
Other DfE/ESFA Covid-19 funding	-	-	-	9,779
	-	38,400	38,400	9,779
Other government grants				
Local authority grants	-	600,459	600,459	645,365
Other funding				
Catering income	21,824	-	21,824	13,157
Other incoming resources	(6,632)	-	(6,632)	11,659
	15,192	-	15,192	24,816
Total funding	-	3,025,716	3,040,908	3,011,054

The academy trust received £38k of funding for catch-up premium, all of this was spent in the year with no funds carried forward to 2021/22.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	-	-	-	2,574
Catering income	1,890	-	1,890	3,844
Trips	3,491	-	3,491	3,698
Other income	26,698	-	26,698	51,212
	<u>32,079</u>	<u>-</u>	<u>32,079</u>	<u>61,328</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	<u>257</u>	<u>-</u>	<u>257</u>	<u>264</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	10,708	-	4,475	15,183	48,218
Academy's educational operations					
- Direct costs	2,177,801	-	122,606	2,300,407	2,309,961
- Allocated support costs	615,412	320,615	207,742	1,143,769	1,084,916
	<u>2,803,921</u>	<u>320,615</u>	<u>334,823</u>	<u>3,459,359</u>	<u>3,443,095</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	6,200	5,500
- Other services	2,600	5,500
Operating lease rentals	7,734	12,378
Depreciation of tangible fixed assets	138,762	153,843
Net interest on defined benefit pension liability	<u>43,000</u>	<u>30,000</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	18,025	2,282,382	2,300,407	2,309,961
Support costs				
Educational operations	21,824	1,121,945	1,143,769	1,084,916
	<u>39,849</u>	<u>3,404,327</u>	<u>3,444,176</u>	<u>3,394,877</u>
			2021	2020
			£	£
Analysis of support costs				
Support staff costs			615,412	561,664
Depreciation			138,762	153,843
Technology costs			148	498
Premises costs			181,853	180,375
Legal costs			1,285	1,215
Other support costs			195,767	173,505
Governance costs			10,542	13,816
			<u>1,143,769</u>	<u>1,084,916</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	1,926,145	1,946,746
Social security costs	166,905	161,173
Pension costs	610,532	566,812
Staff costs - employees	2,703,582	2,674,731
Agency staff costs	72,739	101,477
Staff restructuring costs	27,600	-
	2,803,921	2,776,208
Staff development and other staff costs	17,915	18,567
Total staff expenditure	2,821,836	2,794,775

Staff restructuring costs comprise:

Redundancy payments	27,600	-
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Staff numbers

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

	2021 Number	2020 Number
Teachers	66	69
Administration and support	30	29
Management	5	5
	101	103

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

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 and national insurance) received by key management personnel for their services to the academy trust was £363,564 (2020: £353,720).

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.

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

J Sutton (Headteacher)	
Remuneration	£70,001 - £75,000 (2020: £70,001 - £75,000)
Employer's pension contributions	£15,001 - £20,000 (2020: £15,001 - £20,000)
C Hall (Deputy headteacher)	
Remuneration	£60,001 - £65,000 (2020: £55,001 - £60,000)
Employer's pension contributions	£10,001 - £15,000 (2020: £10,001 - £15,000)
R Rathmell (Assistant headteacher)	
Remuneration	£50,001 - £55,000 (2020: £50,001 - £55,000)
Employer's pension contributions	£10,001 - £15,000 (2020: £10,001 - £15,000)

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. The premium for this insurance is not separately identified within the policy.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Leasehold buildings	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2020	4,286,000	461,671	177,030	281,167	5,205,868
Additions	-	12,974	4,255	2,088	19,317
At 31 August 2021	4,286,000	474,645	181,285	283,255	5,225,185
Depreciation					
At 1 September 2020	539,200	43,385	171,535	236,928	991,048
Charge for the year	95,723	9,387	5,679	27,973	138,762
At 31 August 2021	634,923	52,772	177,214	264,901	1,129,810
Net book value					
At 31 August 2021	3,651,077	421,873	4,071	18,354	4,095,375
At 31 August 2020	3,746,800	418,286	5,495	44,239	4,214,820

13 Debtors

	2021 £	2020 £
Trade debtors	29,548	124,572
VAT recoverable	13,668	12,451
Other debtors	324	324
Prepayments and accrued income	72,560	119,515
	116,100	256,862

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	50,392	47,135
Other taxation and social security	37,814	40,194
Other creditors	41,888	42,137
Accruals and deferred income	47,816	53,895
	177,910	183,361

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	14,005	21,656
	<u> </u>	<u> </u>
Deferred income at 1 September 2020	21,656	25,747
Released from previous years	(21,656)	(25,747)
Resources deferred in the year	14,005	21,656
	<u> </u>	<u> </u>
Deferred income at 31 August 2021	14,005	21,656
	<u> </u>	<u> </u>

Included in deferred income is universal infant meal funding in respect of 2021/22.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	198,474	2,070,201	(2,039,615)	(3,150)	225,910
UIFSM	-	33,009	(33,009)	-	-
Pupil premium	-	179,466	(179,466)	-	-
Teachers pension grants	-	63,440	(63,440)	-	-
Teachers pay grants	-	16,104	(16,104)	-	-
PE and sports premium	7,107	18,800	(23,351)	-	2,556
Rates	-	5,837	(5,837)	-	-
Covid-19 catch up premium	-	38,400	(38,400)	-	-
Other government grants	-	600,459	(575,343)	(539)	24,577
Pension reserve	(2,633,000)	-	(291,000)	(118,000)	(3,042,000)
	<u>(2,427,419)</u>	<u>3,025,716</u>	<u>(3,265,565)</u>	<u>(121,689)</u>	<u>(2,788,957)</u>
Restricted fixed asset funds					
Inherited on conversion	3,730,984	-	(95,723)	-	3,635,261
DfE group capital grants	101,519	7,693	(5,038)	(5,894)	98,280
Capital expenditure from GAG	382,796	-	(35,506)	9,044	356,334
Other restricted and donations	7,456	-	(2,495)	539	5,500
	<u>4,222,755</u>	<u>7,693</u>	<u>(138,762)</u>	<u>3,689</u>	<u>4,095,375</u>
Total restricted funds	<u>1,795,336</u>	<u>3,033,409</u>	<u>(3,404,327)</u>	<u>(118,000)</u>	<u>1,306,418</u>
Unrestricted funds					
General funds	<u>186,471</u>	<u>47,528</u>	<u>(55,032)</u>	<u>-</u>	<u>178,967</u>
Total funds	<u>1,981,807</u>	<u>3,080,937</u>	<u>(3,459,359)</u>	<u>(118,000)</u>	<u>1,485,385</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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 2021.

Other ESFA grants including pupil premium, Universal Infant Free School Meals, teachers' pay and pension grants, Covid catch up funding and rates grants have been fully spent in the year.

PE and sports premium has a carry forward balance of £2,556 to be spent in 2021/22.

Other government grants includes early years funding for three and four year old children, funding for pupils with special educational needs and pupil premium provided by the local authority. The fund also includes an ICT grant, with a carry forward balance of £25,116 to be spent in 2021/22.

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, all of which has been 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 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 £432,010 as at 31 August 2021.

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	212,456	2,005,509	(2,010,255)	(9,236)	198,474
UIFSM	-	40,890	(40,890)	-	-
Pupil premium	-	177,656	(177,656)	-	-
Teachers pension grants	-	18,900	(11,793)	-	7,107
Teachers pay grants	-	16,744	(16,744)	-	-
PE and sports premium	-	65,244	(65,244)	-	-
Rates	-	5,551	(5,551)	-	-
Other DfE / ESFA grants	-	600	(600)	-	-
Other government grants	-	655,144	(655,144)	-	-
Pension reserve	(1,674,000)	-	(232,000)	(727,000)	(2,633,000)
	<u>(1,461,544)</u>	<u>2,986,238</u>	<u>(3,215,877)</u>	<u>(736,236)</u>	<u>(2,427,419)</u>
Restricted fixed asset funds					
Transfer on conversion	3,811,864	-	(80,880)	-	3,730,984
DfE group capital grants	98,823	7,935	(5,239)	-	101,519
Capital expenditure from GAG	438,789	-	(65,229)	9,236	382,796
Other restricted and donations	9,951	-	(2,495)	-	7,456
	<u>4,359,427</u>	<u>7,935</u>	<u>(153,843)</u>	<u>9,236</u>	<u>4,222,755</u>
Total restricted funds	<u>2,897,883</u>	<u>2,994,173</u>	<u>(3,369,720)</u>	<u>(727,000)</u>	<u>1,795,336</u>
Unrestricted funds					
General funds	<u>173,438</u>	<u>86,408</u>	<u>(73,375)</u>	<u>-</u>	<u>186,471</u>
Total funds	<u>3,071,321</u>	<u>3,080,581</u>	<u>(3,443,095)</u>	<u>(727,000)</u>	<u>1,981,807</u>

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	4,095,375	4,095,375
Current assets	178,967	430,953	-	609,920
Creditors falling due within one year	-	(177,910)	-	(177,910)
Defined benefit pension liability	-	(3,042,000)	-	(3,042,000)
Total net assets	178,967	(2,788,957)	4,095,375	1,485,385
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	4,214,820	4,214,820
Current assets	186,471	388,942	7,935	583,348
Creditors falling due within one year	-	(183,361)	-	(183,361)
Defined benefit pension liability	-	(2,633,000)	-	(2,633,000)
Total net assets	186,471	(2,427,419)	4,222,755	1,981,807

18 Pension 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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £40,318 (2020: £42,632) were payable to the schemes at 31 August 2021 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £214,982 (2020: £213,980).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5% 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	2021 £	2020 £
Employer's contributions	157,000	150,000
Employees' contributions	48,000	49,000
Total contributions	205,000	199,000

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.6	3.2
Rate of increase for pensions in payment/inflation	2.6	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.2

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	23.6	23.5
Retiring in 20 years		
- Males	23.3	23.5
- Females	25.4	25.3

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

	2021 £	2020 £
Discount rate + 0.1%	6,211,000	5,097,000
Discount rate - 0.1%	6,588,000	5,406,000
Mortality assumption + 1 year	6,153,000	5,060,000
Mortality assumption - 1 year	6,639,000	5,438,000
CPI rate + 0.1%	6,422,000	5,380,000
CPI rate - 0.1%	6,370,000	5,118,000

Defined benefit pension scheme net liability

	2021 £	2020 £
Scheme assets	3,354,000	2,616,000
Scheme obligations	(6,396,000)	(5,249,000)
Net liability	(3,042,000)	(2,633,000)

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

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

	2021 Fair value £	2020 Fair value £
Equities	2,653,000	1,988,160
Cash	278,000	303,456
Property	245,000	209,280
Other assets	178,000	115,104
Total market value of assets	3,354,000	2,616,000

The actual return on scheme assets was £575,000 (2020: £240,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	405,000	352,000
Interest income	(46,000)	(44,000)
Interest cost	89,000	74,000
Total operating charge	448,000	382,000

Changes in the present value of defined benefit obligations

	2021 £	2020 £
At 1 September 2020	5,249,000	3,885,000
Current service cost	394,000	352,000
Interest cost	89,000	74,000
Employee contributions	48,000	49,000
Actuarial loss	647,000	923,000
Benefits paid	(42,000)	(34,000)
Effect of non-routine settlements and administration expenses	11,000	-
At 31 August 2021	6,396,000	5,249,000

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

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

	2021 £	2020 £
At 1 September 2020	2,616,000	2,211,000
Interest income	46,000	44,000
Actuarial gain	529,000	196,000
Employer contributions	157,000	150,000
Employee contributions	48,000	49,000
Benefits paid	(42,000)	(34,000)
At 31 August 2021	3,354,000	2,616,000

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(378,422)	(509,843)
Adjusted for:		
Capital grants from DfE and other capital income	(7,693)	(7,935)
Investment income receivable	(257)	(264)
Defined benefit pension costs less contributions payable	248,000	202,000
Defined benefit pension scheme finance cost	43,000	30,000
Depreciation of tangible fixed assets	138,762	153,843
Decrease/(increase) in debtors	140,762	(130,020)
(Decrease)/increase in creditors	(5,451)	6,798
Net cash provided by/(used in) operating activities	178,701	(255,421)

20 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	326,486	167,334	493,820

SUNNYSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	8,299	7,735
Amounts due in two and five years	13,815	17,965
	<u>22,114</u>	<u>25,700</u>

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.

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.