

COMPANY REGISTRATION NUMBER 07667999

Rosewood School Limited
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ending 31 August 2014

Rosewood School Limited

Reference and Administrative Details

Year ending 31 August 2014

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Rosewood School Limited

Reference and Administrative Details

Year ending 31 August 2014

Company Name	Rosewood School Limited
Company Registration Number	07667999
Principal and Registered Office	Rosewood School Limited, Alder Moor Rd, Southampton, SO16 5NA
Trustees	Penelope Beveridge Jennifer Boyd (Head Teacher and Accounting Officer)* Anthony Bussy Laurence Clark Iley Clements Ann Dyton (Chair) Martin Gillie (Responsible Officer)* Colleen Grice (Parent Trustee) (appointed 18 November 2013) Susie James Trevor Johnson Elizabeth McCaughey Victoria Morgan (Staff Trustee) Caroline Robins (Staff Trustee) *members of the Finance Committee
Company Secretary	Jennifer Boyd
Members	Penelope Beveridge Jennifer Boyd Anthony Bussy Laurence Clark Iley Clements Ann Dyton Martin Gillie Susie James Trevor Johnson Elizabeth McCaughey
Senior Management Team	Head Teacher Jennifer Boyd Deputy Head Teacher Zoe Evans
Independent Auditor	Grant Thornton UK LLP, 1 Dorset Street, Southampton SO15 2DP
Bankers	National Westminster Bank plc. 43-49 London Road, Southampton, SO15 2AD Aldermore Bank plc, First Floor, Block B, Western House, Lynchwood, Peterborough, PE2 6FZ
Solicitors	Paris Smith, 1 London Road, Southampton, SO15 2AE

Rosewood School Limited

Trustees' Report

Year ending 31 August 2014

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The school aims to provide education to all students aged 2-16 with Profound and Multiple Learning Difficulties ("PMLD"), complex health needs and life limiting conditions and to students aged 16-19 with Severe Learning Difficulties ("SLD") and physical difficulties including PMLD.

Structure, Governance and Management

Constitution

Rosewood School Limited is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents.

The Trustees of Rosewood School Limited are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Rosewood Free School.

Details of the Trustees who served throughout the year except as noted 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

In accordance with normal commercial practice the school has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. More details are provided in note 11 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

Parent Trustees

Parent Trustees are elected by parents of registered pupils. Vacancies are widely advertised to the parent body by newsletters, letters and on the website.

Staff Trustees

The Trustees are responsible for making all the necessary arrangements for the election and removal of Staff Trustees. Vacancies are advertised through staff meetings and noticeboards.

Community Trustees

The Community Trustees may be appointed by the Trustees. When recruiting such Trustees a skills audit is undertaken and appropriate community bodies and companies approached.

Co-opted Trustees

The Trustees may appoint up to 3 Co-opted Trustees. When recruiting such Trustees a skills audit is undertaken and appropriate community bodies and companies approached.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees take part in the full school induction programme, they also receive Child Protection /Safeguarding training and Safe Recruitment training where appropriate. Initial Trustee induction training is provided by Southampton Special Headteachers Conference. Subsequent training is organised as required.

Organisational Structure

The Trustees are responsible and accountable for the strategic planning and policy making that enables the day to day task of managing the school to be effectively delegated to the Head Teacher. Specifically, this requires the committees of the board of trustees to undertake the responsibilities listed below within each academic year.

Powers have been delegated to the Head Teacher in respect of internal organisation, management and control of the school, the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum.

Full Trustees

- Approval of a written scheme of delegation of financial powers and duties to the Finance Committee, the Head Teacher and other staff in order to ensure that adequate financial controls are in place and operate in conjunction with the school's Finance Manual.
- Formally approve the annual school budget at least two months prior to the start of each financial year.
- Consider budgetary reports from the Finance Committee at every meeting.
- Receive the reports of the external auditor.
- Receive the reports of the Accounting Officer on the use of resources, systems of internal financial control and discharge of financial responsibilities.
- Approval of the school Development Plan.
- Monitoring of safeguarding procedures.

The board of trustees has established a sub-committee to which it delegates certain responsibilities:

Finance Committee

- Review and authorise the annual budget;
- Regularly monitor actual expenditure and income against budget;
- Ensure that the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorise orders and the award of contracts over £25,000;
- Authorise changes to the school personnel establishment;
- Review management accounts on a regular basis and ensure that variances from budget are explained satisfactorily and that the school will have adequate funds to meet its obligations in the year ahead; and
- Review the reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the board of trustees.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

Risk Management

The Trustees have reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the school's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Connected Organisations and Related Party Relationships

- Rosewood Free School is a partner of the Wildern Teaching Schools Alliance (ECT Alliance).
- Rosewood Free School has a number of partner schools in London and the South of England who are using our bespoke curriculum and assessment tool "ImPACTS", working closely to provide professional development, quality benchmarking and shared expertise.
- Rosewood Free School is a member of NASS (National Association of Independent and Non-maintained special schools). The Head Teacher is a member of the board of Trustees of NASS.
- Rosewood Free School has specialist school status for Sensory and Physical Learning.

Objectives and activities

Beliefs and Aims of Rosewood Free School

- We believe that in order to provide an effective learning environment it is necessary to have a detailed and shared understanding of a learner's needs by all the professionals from education and therapy.
- We will treat each learner with dignity and respect at all times. As an all age school we will be respectful of each learner's age and needs as they move through the school making their individual developmental journey.
- We aim to provide a consistently responsive environment within which every learner's ability to communicate is respected, responded to and developed.
- We aim to provide throughout the day a range of meaningful opportunities that allow learners to develop intentionality and exercise control of their learning environment.
- We value and respect the knowledge, experience and expertise of parents/carers and welcome every opportunity to work with them to support the learner's journey through school life and beyond. We aim to understand our learners within the context of their family.

Objects and Aims

The key focus of the school is based on regular, thorough formative assessment that leads to individual learning programmes that meet the assessed needs of all learners.

Objectives, Strategies and Activities

The school will strive to maintain the "outstanding" judgement awarded by Ofsted in all areas:

- Through implementation of ImPACTS for all students working below P4 and developing an extended ImPACTS for student in Post 16 working above P4.
- Through very strong professional development and training focused on raising standards of leadership and teaching and learning.
- Through further development of parent engagement through training, workshops and nurture groups.
- Through active research and engagement with national initiatives in the field of special education
- Through utilizing new technologies in order to give greater access and control to learners.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

Strategies to support development include:

- On-going curriculum review and development.
- Personalised learning pathways for all students.
- Rigorous monitoring and evaluation processed to track individual progress with opportunities for planned targeted interventions where necessary.
- Regular multi-disciplinary meetings to support individuals.
- Regular and appropriate medical interventions planned across the school day.
- Regular and appropriate therapeutic interventions planned throughout the school day.
- Access to technologies to develop control skills.
- Regular parent teacher meetings to review progress and individual needs.

The school produces a comprehensive Development Plan annually which provides detailed information on all priorities.

Public Benefit

The school's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The school promotes education for the benefit of the local communities of Southampton and Hampshire.

Strategic Report

Achievements and Performance

The school was inspected by Ofsted in July 2014 and judged to be "outstanding" in all areas.

Key Findings

Learning and achievement are outstanding. Pupils of all ages throughout the school thrive as a result of the school's philosophy that good education is caring and that good care is educational.

- Expert care is seamlessly combined with expert teaching. As a result, pupils make excellent progress.
- Children attending part-time sessions in the Nursery and full-time in Reception make excellent progress. They settle into school well, are prepared for learning and to proceed to the next stage in their education.
- The Hub is an outstanding provision for post-16 students. All students, particularly the most able, make excellent progress by applying what they know and can do to real-life situations. Students improve their social skills and levels of independence.
- The teaching of all groups of pupils is highly expert. Assessments are completed in fine detail and learning planned individually for every pupil as a result.
- A positive atmosphere abounds in school. Pupils demonstrate their sense of happiness and security through smiles, gestures and engagement with activities. Pupils behave very well and attend whenever possible.
- The Head Teacher and Deputy Head Teacher provide inspirational leadership to other staff. They communicate high expectations with effective support to ensure that teaching continuously improves.
- The school's directors are knowledgeable and skilled in the role of governance. They bring a wealth of relevant experience. They hold school leaders to account and successfully ensure the school's financial viability.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

2013/14 Key Findings – Pupil Achievement

- New Entrants in the Early Years department continue to make the most rapid progress from Baseline Assessment to first Annual Review. It is our professional opinion, supported by theory and research that key to the development of learners with PMLD at the earliest levels of pre-Intentional development is a highly responsive environment with trained and responsive staff who expect the learner to communicate and learn.
- New Entrants at Post-16 with PMLD do not make the same rapid progress and quite often the P Levels are reduced, following a reassessment using ImpACTS, from the levels given in the feeder school. We need to look at the first data as a baseline and look at expected progress from this for Post-16 learners.
- Previous learning cycles of progress demonstrated e.g. an above 10% improvement followed by two years consolidation, remains as a regular pattern for most of the school. However, following a period of moderation and challenge we can now demonstrate that learners up until year 3 appear to make more consistent 10% and above progress prior to then returning to a consolidation and acquisition cycle. This will continue to be monitored and wider evidence and research reviewed. Research on the development of Intentionality both in Communication, Cognitive skills and controlling the environment show that these skills impact all other areas of development. That stage is represented through Key Stage 1 as learners move from Pre Intentional to emerging Intentional learners. The majority of these learners are also at P2i and its sub-levels, evidence shows that the majority of learners with PMLD are assessed as P2ii and its sublevels. The developmental difference between these is greatest when analysed in details of learning that needs to occur and this also explains the longer cycles required for those pupils P2ii and beyond. The research from Great Ormond Street hospital looked at the developmental levels described in the P Levels and aligned them to developmental milestones linked to ages and stages. This work shows the steps of developmental and that they are uneven between P Levels.
- We would still look at setting expectations for all learners from Year 4 through post-16 as part of a 3 year cycle. With a peak of above 10% and 2 years of consolidation.
- The definitions of progress linked to ipsative (the practice of assessing present performance against the prior performance of the person being assessed) learning are:
 - <2% - a concerning rate that would indicate learner is not progressing a full multi-disciplinary review is required
 - <6% - consolidation of existing learning
 - 7-10% - indicates the emergence of a new skill
 - >10% - new skills in more than one Key Skill area
 - > 20% - key developmental milestone/golden moment achieved; would be reviewed to ensure continued challenge and accuracy of target setting
 - >40% - usually achieved post a baseline score of a new learner.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

- Periods of above >10% appear less likely in Post-16 as the move is towards application of existing learning and the introduction of broader learning processes.
- There is no difference in achievement between learners according to their gender, ethnicity or socio-economic background.
- Main influence impacting learner's progress is medical intervention and deterioration in health and wellbeing.

Extra-Curricular Activities

The school has a strong and varied enrichment programme to support and develop individual students. These include opportunities to experience different environments and cultures through drama, multimedia and sensory stimulation. Opportunities for the children to experience live music and performance are regularly planned including an annual visit from touring theatre companies and the Welsh National Opera.

Pupils have regular planned access to the local community visiting shops, other schools, the library and any wheelchair accessible sporting activities.

Key Performance Indicators

The board of trustees has reviewed the school's performance against key performance indicators:

- Staff turnover - this is monitored at every change of personnel by the Finance Committee and at exit interviews. Turnover is low at 0% for teaching staff and 7% for permanent support staff.
- Income streams – EFA (Education Funding Agency) grants and Local Authority funding, alongside any other dedicated sources of income are monitored termly by the board of trustees. The school prepares yearly budgets and rolling forecasts. The school aimed to achieve a surplus before actuarial gains and losses and has achieved this for the year to 31 August 2014.
- Number of students – The Head Teacher leads the school's marketing strategy. We have raised the Approved Pupil Number from 30 to 60. Currently there are 47 pupils on roll. The school expects to be at capacity in one year although this is dependent on the survival of students with life limiting conditions.
- Achievement and Attainment – The Head Teacher leads the school's rigorous monitoring and evaluation programme to ensure that standards remain outstanding. The school has a good reputation both locally, nationally and internationally. Maintaining outstanding outcomes is essential for the school's success in attracting students and external relationships.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The school is in a satisfactory financial position.

The actuarial report on the Local Government Pension scheme (LGPS) identifies a funding deficit under FRS17 and the school's proportion of this funding deficit is shown on the balance sheet. Part of this deficit relates to service by staff for employment prior to joining the school, known as a past service deficit. The Trustees are aware that this is an ongoing liability and not a debt that is due and payable upon demand. A "past service" element will be included in monthly employer contributions following the next Fund Valuation in 2016. The "past service" element of contributions is part of a 25 year recovery plan which was put in place following the 2010 Fund Valuation. In the opinion of the Trustees the current level of funding by the school is sufficient to meet known future pension contributions. This funding level is reviewed on a triennial basis.

In order to meet increased reporting requirements by the EFA and improve the effectiveness of internal controls the school has increased administrative expenditure. The Trustees review forecast income and expenditure during the year and take any necessary action to ensure that funds available are sufficient to meet educational needs.

- All expenditure is clearly related to the key objectives of the school
- The school had no outside investments at the end of the financial year.

Reserves Policy

The Trustees will allocate a proportion of any surplus generated during the year to a contingency reserve. The purpose of the contingency reserve is to enable the school to meet any unexpected change in funding levels or unexpected costs that need to be incurred for educational purposes. The Trustees have agreed a target level of reserves of £50,000.

Investment Policy

It is the school's policy to invest any funds not needed for the foreseeable future in interest bearing immediate access savings accounts.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

Principal Risks and Uncertainties

The school has a relatively low exposure to financial risks. There are effective systems in place for control of debtors. The school does not use any financial instruments and there is no material exposure to credit risk. Based on the school Development Plan, the Trustees have undertaken a comprehensive review of the risks to which the school is exposed. Systems and procedures are in place to mitigate these risks where possible.

The school has further developed its system of internal control this year, including financial, operational and risk management which is designed to protect the school's assets and reputation.

Key areas include:

- Government Funding: The school has considerable reliance on continued Government and Local Authority funding through the education sector funding bodies. There can be no assurance that Government policy or practice will remain consistent and that funding will continue at these levels. Funding is linked most consistently to student numbers.
- The risk is mitigated by:
 - Ensuring the school is rigorous in delivering high quality Attainment and Achievement – the school's outcomes are rated outstanding by OFSTED and strong monitoring and evaluation systems are in place to maintain these standards. These outcomes mitigate the risk of reduction of student numbers.
 - Maintaining strong recruitment strategies and a quality curriculum offer to attract and maintain student numbers, with the aim of an overall student body of approximately 60 students.
- Reputational Risk – strong systems for Safeguarding, and Acceptable Use of information technology are in place to allay these risks.
- Health and Safety – strong policies and procedures including risk assessment processes and appropriate training are in place to allay these risks.
- Premises - appropriate insurances are in place to support the school against damage or theft to property.
- Pupil Numbers – complex health needs of pupils with life limiting conditions often lead to pupil deaths - this is a risk to the school that cannot be mitigated.

Plans for future periods

Rosewood Free School has recently been judged "outstanding" by Ofsted for the third time. The school works very hard to raise standards in the education of children with PMLD and Sensory and Physical Difficulties. The unique assessment and curriculum (ImPACTS) devised by the school has been adopted by many schools both nationally and internationally. This is helping schools to really understand how children learn and with more schools using ImPACTS we are now able to use comparative data to analyse progress.

As one of the first Special Free Schools in the country, Rosewood has led the way in the development of Special Free schools. We work closely with Free School applicants helping them through the application process and development stage.

The school is seeking to improve provision for students aged 19-25 within Southampton and southern Hampshire by making a second application to the DFE for a "Free College". The application is due to be submitted in April 2015.

The school is relentless in the pursuit of excellence in education. The priority is to maintain the "outstanding" judgment by continually seeking to improve teaching and learning across the school. This is achieved by active research, high level professional dialogue and the training and development of staff at all levels.

Rosewood School Limited

Trustees' Report (continued)

Year ending 31 August 2014

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.

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The Trustees' report, incorporating a strategic report was approved by order of the board of trustees, as the company directors, on 17 November 2014 and signed on the board's behalf by:



Ms A Dyton
Trustee

Rosewood School Limited

Governance Statement

Year ending 31 August 2014

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Rosewood School Limited 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 Head Teacher, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities set out in the funding agreement between Rosewood School Limited and the Secretary of State for Education. The Accounting Officer is 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

FULL BOARD OF TRUSTEES MEETINGS

Trustee	Meetings attended	Out of a possible
Penelope Beveridge	5	6
Jennifer Boyd (Head Teacher and Accounting Officer)	6	6
Anthony Bussy	4	6
Laurence Clark	4	6
Iley Clements	5	6
Ann Dyton (Chair)	6	6
Martin Gillie (Responsible Officer)	5	6
Colleen Grice (Parent Trustee) (Appointed 18 November 2013)	4	5
Susie James	6	6
Trevor Johnson	4	6
Elizabeth McCaughey	5	6
Victoria Morgan (staff trustee)	3	6
Caroline Robbins (staff trustee)	5	6

Governance Review

The Trustees (and the management of the school) were faced with two substantial challenges during the year.

- The first was to offer membership of the Local Government Pension Scheme to all non-teaching staff. Whilst this was successfully accomplished and is of great credit to the staff who ensured that it happened as smoothly as possible, it has placed a significant burden both in terms of cost and year end administration. The scheme will be very beneficial to those staff who have decided to participate.
- The second challenge was to take in house all of the accounting and control systems that had been previously carried out by Solent Support Solutions. In order to achieve this the school recruited a part time bursar and a full time administrative officer. This move took place during the financial year and considerable effort has been expended not only to redesign and improve many of the control systems but to put together the statutory accounts at the year end from two different systems. The Trustees consider that the school will have much improved control, reporting, budgeting and reporting systems as a result of the change.

Rosewood School Limited

Governance Statement (continued)

Year ending 31 August 2014

FINANCE COMMITTEE MEETINGS

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Review and authorise the annual budget;
- Regularly monitor actual expenditure and income against budget;
- Ensure that the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorise orders and the award of contracts over £25,000;
- Authorise changes to the school personnel establishment;
- Review management accounts on a regular basis and ensure that variances from budget are explained satisfactorily and that the school will have adequate funds to meet its obligations in the year ahead; and
- Review the reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jennifer Boyd	6	6
Martin Gillie	6	6

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of school 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 at the school during the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements and has been improved by bringing the finance function in-house.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the school's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Rosewood School Limited

Governance Statement (continued)

Year ending 31 August 2014

The Risk and Control Framework

The school'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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Martin Gillie, a Trustee, as Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. On a quarterly basis, the Responsible Officer reports to the board of trustees on the operations of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Head teacher 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 Solent Support Solutions (Financial Services Provider for part of the financial year);
- The work of the Bursar appointed in January 2014;
- The work of the Responsible Officer;
- The work of the external auditor.

The Accounting Officer has been advised of the implications of the results of a review of the system of internal control undertaken by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 17 November 2014 and signed on its behalf by:



Ms A Dyton
Trustee

Mrs J Boyd
Accounting Officer



Rosewood School Limited

Statement on Regularity, Propriety and Compliance

Year ending 31 August 2014

As Accounting Officer of Rosewood School Limited I have considered my responsibility to notify the school's board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the school and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed



Mrs J Boyd
Accounting Officer
17 November 2014

Rosewood School Limited

Statement of Trustees' Responsibilities

Year ending 31 August 2014

The Trustees (who act as Governors of Rosewood School Limited and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17 November 2014 and signed on its behalf by:



Ms A Dyton
Trustee

Rosewood School Limited

Independent Auditor's Report on the Financial Statements to the Members of Rosewood School Limited

Year ending 31 August 2014

We have audited the financial statements of Rosewood School Limited for the year ended 31 August 2014 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet and the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the 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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Rosewood School Limited

Independent Auditor's Report on the Financial Statements to the Members of Rosewood School Limited (continued)

Year ending 31 August 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Steve Robinson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton

25 November 2014

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Rosewood School Limited

Independent Reporting Accountant's Assurance Report on Regularity to Rosewood School Limited and the Education Funding Agency

Year ending 31 August 2014

In accordance with the terms of our engagement letter dated 11 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Rosewood School Limited during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Rosewood School Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rosewood School Limited and the EFA those matters we are required to state to them 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 Rosewood School Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rosewood Free School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Rosewood School Limited's funding agreement with the Secretary of State for Education dated 11 July 2012 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Rosewood School Limited

Independent Reporting Accountant's Assurance Report on Regularity to Rosewood School Limited and the Education Funding Agency (continued)

Year ending 31 August 2014

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the school's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- detailed testing on a sample basis of income and expenditure for the areas identified as high risk.

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



Grant Thornton UK LLP
Chartered Accountants
Statutory auditor
Southampton

25 November 2014

Rosewood School Limited

Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ending 31 August 2014

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
Incoming resources						
<i>Incoming resources from generating funds:</i>						
- Transfer from The Rose Road Association		-	-	-	-	1,891,710
- Voluntary income	2	19,275	-	25,000	44,275	33,924
- Activities for generating funds	3	12,910	-	-	12,910	20,103
- Investment income	4	1,500	-	-	1,500	78
<i>Incoming resources from charitable activities:</i>						
Funding for school's educational operations	5	-	1,390,016	44,330	1,434,346	4,382,846
Total incoming resources		33,685	1,390,016	69,330	1,493,031	6,328,661
Resources expended						
<i>Costs of generating funds:</i>						
Costs of generating voluntary income		-	-	-	-	23,700
Fundraising trading: cost of goods sold & other costs		12,330	-	-	12,330	17,173
<i>Charitable activities:</i>						
School's educational operations	7	-	1,276,014	140,586	1,416,600	1,348,889
Governance costs	8	-	6,510	-	6,510	9,650
Total resources expended	6	12,330	1,282,524	140,586	1,435,440	1,399,412
Net incoming / (outgoing) resources before transfers		21,355	107,492	(71,256)	57,591	4,929,249
Gross transfer between funds		-	(67,787)	67,787	-	-
Net income / (expenditure) for the year		21,355	39,705	(3,469)	57,591	4,929,249
Other recognised gains and losses						
Actuarial (losses) on defined benefit pension schemes	16,17	-	(90,000)	-	(90,000)	-
Net movement in funds		21,355	(50,295)	(3,469)	(32,409)	4,929,249
Reconciliation of funds						
Total funds brought forward at 1 September 2013	17	13,032	85,793	4,830,424	4,929,249	-
Total funds carried forward at 31 August 2014		34,387	35,498	4,826,955	4,896,840	4,929,249

All of the above amounts relate to continuing activities.

The accounting policies and notes on pages 23 to 40 form part of these financial statements.

Rosewood School Limited

Balance Sheet

As at 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed Assets					
Tangible assets	12		4,826,955		4,830,424
Current Assets					
Debtors	13	93,753		968,485	
Cash at bank and in hand		<u>138,455</u>		<u>344,903</u>	
		232,208		1,313,388	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(55,323)</u>		<u>(1,214,563)</u>	
Net current assets			<u>176,885</u>		<u>98,825</u>
Total assets less current liabilities			5,003,840		4,929,249
Pension scheme liability	16		<u>(107,000)</u>		-
Net assets including pension liabilities			<u>4,896,840</u>		<u>4,929,249</u>
Funds of the school:					
Restricted income funds					
- Fixed asset fund	17	4,826,955		4,830,424	
- General fund	17	142,498		85,793	
- Pension fund	17	<u>(107,000)</u>		<u>-</u>	
			4,862,453		4,916,217
Total restricted funds					
Unrestricted income funds					
- General fund	17	<u>34,387</u>		<u>13,032</u>	
Total unrestricted funds			34,387		13,032
Total funds			<u>4,896,840</u>		<u>4,929,249</u>

These financial statements were approved by the trustees, and authorised for issue on 17 November 2014 and are signed on their behalf by:

A.V. Dyton

Ms A Dyton
Trustee

M.C. Gillie

Mr M Gillie
Trustee

The accounting policies and notes on pages 23 to 40 form part of these financial statements

Rosewood School Limited

Cash Flow Statement

Year ending 31 August 2014

		Year ended 31 August 2014 £	17 month Period ended 31 August 2013 £
Net cash (outflow) / inflow from operating activities	22	(136,042)	3,349,116
Returns on investments and servicing of finance	23	1,500	78
Capital Expenditure	24	(71,906)	(3,004,291)
(Decrease) / Increase in cash in the year	25	(206,448)	344,903
Reconciliation of net cash inflow to movement in net funds			
Net funds at 1 September 2013		344,903	-
Net funds at 31 August 2014		138,455	344,903

Rosewood School Limited

Statement of Accounting Policies

Year ending 31 August 2014

1. Statement of accounting policies

Basis of preparation

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

Going concern

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

The school's forecasts and projections, taking account of reasonably possible changes to student numbers and expenditure in the business plan, show that the school should be able to operate within its current available funds. The Trustees therefore have a reasonable expectation that the school has adequate resources to continue for the foreseeable future and therefore adopt the going concern basis in preparing the annual financial statements.

Incoming resources

All incoming resources are recognised when the school has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability, except for Donations and Sponsorship Income which are recognized in the period they are received.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

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

- **Donated services and gifts in kind**

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

- **Sponsorship Income**

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is received, where there is certainty of receipt and it is measurable.

Rosewood School Limited

Statement of Accounting Policies (continued)

Year ending 31 August 2014

- **Interest receivable**

Interest receivable is included within the Statement of Financial Activities on an accruals basis.

- **Other income**

Other income, including the sale of school uniforms and the provision of school meals, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Resources expended

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the school's educational operations.

- **Governance costs**

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 school's depreciation policy.

Rosewood School Limited

Statement of Accounting Policies

Year ending 31 August 2014

Depreciation

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:

Long Leasehold buildings	50 years straight line
Building Adaptation	20 years straight line
Fixtures, fittings and equipment	5 years straight line
Positional Equipment	3 years straight line
Motor vehicles	8 years straight line
ICT Equipment	3 years straight line

In each case above, where there is a clear indication that the expected useful economic life of a specific asset differs from the standard period for the class of asset, the former will be used.

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

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Taxation

The school 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 school 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.

Pensions benefits

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined contribution schemes and the assets are held separately from those of the school.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Rosewood School Limited

Statement of Accounting Policies (continued)

Year ending 31 August 2014

Local government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the school in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the EFA 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 EFA and other donors which are to be used for specific purposes.

Rosewood School Limited

Notes to the Financial Statements

Year ending 31 August 2014

2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
Donations	19,275	25,000	44,275	10,182
Trusts	-	-	-	23,700
Other income	-	-	-	42
	<u>19,275</u>	<u>25,000</u>	<u>44,275</u>	<u>33,924</u>

3. Incoming Resources From Activities For Generating Funds

	Unrestricted Funds £	Restricted Funds £	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
School uniforms	535	-	535	1,492
Sales of services and goods	6,409	-	6,409	3,924
Catering income	5,677	-	5,677	5,377
Other income	289	-	289	9,310
	<u>12,910</u>	<u>-</u>	<u>12,910</u>	<u>20,103</u>

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
Short term deposits	1,500	-	1,500	78
	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>78</u>

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

5. Funding for School Educational Operations

	Unrestricted Funds £	Restricted Funds £	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
DfE/ EFA Grants				
Formula Allocation	-	591,645	591,645	521,667
Education Services Grant	-	47,545	47,545	-
LACSEG	-	-	-	78,573
Bursary Fund	-	672	672	835
Start-up Grant	-	7,000	7,000	13,000
Insurance Grant	-	1,160	1,160	6,944
FFE/ICT Contract	-	30,186	30,186	115,260
Construction Contract	-	8,861	8,861	2,907,181
Pupil Premium	-	6,512	6,512	2,625
NMSS - School Standards Grant	-	-	-	43,554
P E Grant	-	11,011	11,011	10,767
LAC Funding	-	1,500	1,500	923
Capital Grant	-	5,283	5,283	-
FSM for Infants Grant	-	4,996	4,996	-
Year 7 Catch-up Grant	-	1,000	1,000	-
	-	717,371	717,371	3,701,329
Other Government Funding				
Local authority funding	-	716,975	716,975	681,517
	-	716,975	716,975	681,517
	-	1,434,346	1,434,346	4,382,846

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

6. Resources Expended

	Non Pay Expenditure			Year	17 month
	Staff	Premises	Other	ended	period ended
	Costs		Costs	31 August	31 August
	£	£	£	2014	2013
Costs of generating voluntary income	-	-	-		23,700
Costs of activities for generating funds	1,867	3,956	6,507	12,330	17,173
School's educational operations					
- Direct Costs	847,152	-	155,924	1,003,076	1,051,137
- Allocated support costs	156,885	194,119	62,520	413,524	297,752
	1,005,904	198,075	224,951	1,428,930	1,389,762
Governance costs including support costs	-	-	6,510	6,510	9,650
	1,005,904	198,075	231,461	1,435,440	1,399,412

7. Charitable Activities - School Educational Operations

	Unrestricted		Restricted		Year	17 month
	Funds		Funds		ended	period ended
	£	£	£	£	31 August	31 August
	£	£	£	2014	2013	£
<i>Direct costs</i>						
Teaching & educational support staff	-	847,152	847,152	847,152	855,437	
Educational supplies	-	83,310	83,310	83,310	150,960	
Depreciation	-	45,965	45,965	45,965	30,767	
Staff development	-	15,614	15,614	15,614	6,398	
Recruitment fees	-	4,108	4,108	4,108	6,425	
Other Direct Costs	-	6,927	6,927	6,927	1,150	
	-	1,003,076	1,003,076	1,003,076	1,051,137	
<i>Allocated support costs</i>						
Support staff costs	-	156,885	156,885	156,885	120,481	
Depreciation	-	94,621	94,621	94,621	34,810	
Premise maintenance & cleaning	-	82,610	82,610	82,610	60,177	
Energy costs	-	16,888	16,888	16,888	21,823	
Recruitment	-	2,933	2,933	2,933	2,000	
Staff Development	-	1,392	1,392	1,392	1,000	
Insurance	-	12,870	12,870	12,870	6,944	
Bank charges	-	963	963	963	1,057	
Other support costs	-	44,362	44,362	44,362	49,460	
	-	413,524	413,524	413,524	297,752	
	-	1,416,600	1,416,600	1,416,600	1,348,889	

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

8. Governance Costs

	Unrestricted Funds	Restricted Funds	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
Legal and Professional	-	1,385	1,385	2,475
Auditor's remuneration				
- Audit of financial statements	-	4,500	4,500	4,500
- Other audit costs	-	525	525	1,675
Support staff costs	-	-	-	1,000
Other Governance costs	-	100	100	-
	-	6,510	6,510	9,650

9. Staff

a. Staff Costs

	Year ended 31 August 2014 £	17 month period ended 31 August 2013 £
Wages and salaries	890,484	805,554
Social security costs	53,703	53,272
Pension costs	59,866	60,276
	1,004,053	919,102
Supply teacher costs	1,851	242
	1,005,904	919,344

b. Staff numbers

The average number of employees during the year expressed as equivalent equivalents was as follows:

	2014 No.	2013 No.
Teachers	34	31
Administration and support	8	2
Management	2	2
	44	35

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2014 No.	2013 No.
£60,001 - £70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for this member of staff amounted to £9,083 (2013 £9,301).

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

10. Related Party Transactions - Trustees' Remuneration And Expenses

The Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the school in respect of their role as Trustees. The value of the Trustees' remuneration was as follows:

Jennifer Boyd (Head Teacher and Trustee)	£65,000 - £70,000 (2013: £65,000 - £70,000)
Caroline Robbins (Staff Trustee)	£35,000 - £40,000 (2013: £35,000 - £40,000)
Victoria Morgan (Staff Trustee)	£15,000 - £20,000 (2013: £15,000 - £20,000)

Other related party transactions involving the Trustees are set out in note 19.

11. Trustees' And Officers Insurance

In accordance with normal commercial practice the school has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended 31 August 2014 was £1,063.

12. Tangible Fixed Assets

	Leasehold Land and Buildings £	Building Adaptation & Refurbishment £	Fixtures, Fittings & Equipment £	Positional Equipment £	ICT Equipment £	Motor Vehicles £	Total £
Cost							
At 1 September 2013	4,751,290	9,288	91,616	17,630	26,177	-	4,896,001
Additions	-	17,714	6,317	14,537	21,549	77,000	137,117
Disposals	-	-	-	-	-	-	-
At 31 August 2014	<u>4,751,290</u>	<u>27,002</u>	<u>97,933</u>	<u>32,167</u>	<u>47,726</u>	<u>77,000</u>	5,033,118
Depreciation							
At 1 September 2013	34,771	39	24,159	4,567	2,041	-	65,577
Charge for the year	93,030	1,591	19,045	8,542	12,314	6,064	140,586
Disposals	-	-	-	-	-	-	-
At 31 August 2014	<u>127,801</u>	<u>1,630</u>	<u>43,204</u>	<u>13,109</u>	<u>14,355</u>	<u>6,064</u>	206,163
Net book values							
At 31 August 2014	<u>4,623,489</u>	<u>25,372</u>	<u>54,729</u>	<u>19,058</u>	<u>33,371</u>	<u>70,936</u>	4,826,955
At 31 August 2013	<u>4,716,519</u>	<u>9,249</u>	<u>67,457</u>	<u>13,063</u>	<u>24,136</u>	<u>-</u>	4,830,424

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

13. Debtors

	Total 2014 £	Total 2013 £
Trade debtors	61,754	6,045
VAT Recoverable	8,084	305,472
Other debtors	2,063	1,291
Prepayments and accrued income	21,852	655,677
	<u>93,753</u>	<u>968,485</u>

14. Creditors: Amounts Falling Due Within One Year

	Total 2014 £	Total 2013 £
Trade creditors	5,583	430,471
Taxation and social security	15,909	14,238
EFA creditor	-	298,207
Pension	13,228	62,366
Other creditors	1,032	-
Accruals	19,571	404,848
Deferred Income	-	4,433
	<u>55,323</u>	<u>1,214,563</u>

15. Deferred Income

	Total 2014 £
Deferred income at 1 September 2013	4,433
Resources deferred in the year	-
Amounts released from previous periods	(4,433)
	<u>-</u>
Deferred income at 31 August 2014	<u>-</u>

16. Pension and Similar Obligations

The school'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 Hampshire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £13,228 (2013: £62,366) were payable to the schemes at 31 August 2014 and are included within creditors.

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

16. Pension and Similar Obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

16. Pension and Similar Obligations (continued)

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £35,549, of which employer's contributions totalled £24,976 and employees' contributions totalled £10,573. The agreed contribution rates for future years are 14 per cent for employers and between 5.5 per cent and 12.5 per cent for employees

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

Principal Actuarial Assumptions

At 31 August 2014

Rate of increase in salaries	3.6%
Rate of increase for pensions in payment/inflation	2.1%
Discount rate for scheme liabilities	3.7%
Inflation assumption (CPI)	2.1%
Commutation of pensions to lump sums	70%

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Notes to the Financial Statements (continued)

Year ending 31 August 2014

16. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

Principal Actuarial Assumptions	At 31 August 2014
<i>Retiring today</i>	
Males	24.4
Females	26.2
<i>Retiring in 20 years</i>	
Males	26.5
Females	28.5

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

	Expected return at 31 August 2014*	Fair value at 31 August 2014 £000
Equities	7.5%	186
Property	6.8%	24
Government bonds	2.9%	74
Corporate bonds	3.3%	4
Cash	1.1%	11
Other**	7.5%	10
Total	6.0%	309
Present value of scheme liabilities		
Funded		(416)
Surplus/(deficit) in the scheme		<u>(107)</u>

*The overall expected rate of return on Fund assets is a weighted average of the individual expected rate of return on each asset class and is shown in the bottom row of the above table.

**Other holdings may include hedge funds currency holdings asset allocation futures and other financial instruments. It is assumed that these investments will achieve a return in line with equities.

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

The actual return on scheme assets was £20,000.

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

16. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2014 £000
Current service cost (net of employee contributions)	(42)
Total operating charge	<u>(42)</u>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	13
Interest on pension liabilities	<u>(13)</u>
Pension finance income/(costs)	<u>-</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £90,000 loss.

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

	2014 £000
On formation of Pension Scheme	199
Current service cost	42
Interest cost	13
Employee contributions	11
Actuarial loss	23
Benefits paid	128
At 31 August	<u><u>416</u></u>

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

16. Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	2014 £000
On formation of Pension Scheme	125
Expected return on assets	13
Actuarial gain/(loss)	7
Employer contributions	25
Employee contributions	11
Benefits paid	128
At 31 August	<u><u>309</u></u>

As disclosed in the prior year financial statements, non-teaching staff were not given access to the Local Government Pension Scheme as required under the schools funding agreement. The balances disclosed in the financial statements on formation of the pension scheme represent the deficit on the defined benefit scheme at 1 September 2013 as if the school had provided access to the scheme on conversion to an Academy Trust.

The estimated value of employer contributions for the year ended 31 August 2015 is £27,000.

History of experience adjustments is as follows:

	2014 £000
Present value of defined benefit obligations	(416)
Fair value of share of scheme assets	309
Deficit in the scheme	<u><u>(107)</u></u>
Experience adjustments on share of scheme assets	
Amount £000	0
Experience adjustments on scheme liabilities	
Amount £000	0

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

17. Funds

	Balance at 1 Sept 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 Aug 2014 £
Restricted general funds					
General Annual Grant (GAG)	85,793	591,645	(467,153)	(67,787)	142,498
Start Up Grant	-	7,000	(7,000)	-	-
Other DfE/EFA grants	-	791,371	(791,371)	-	-
Pension reserve	-	-	(17,000)	(90,000)	(107,000)
	85,793	1,390,016	(1,282,524)	(157,787)	35,498
Restricted fixed asset funds					
DfE/EFA capital grants	4,830,424	44,330	(131,365)	-	4,743,389
Capital expenditure from GAG	-	-	(7,659)	67,787	60,128
Donated assets	-	25,000	(1,562)	-	23,438
	4,830,424	69,330	(140,586)	67,787	4,826,955
Total restricted funds	4,916,217	1,459,346	(1,423,110)	(90,000)	4,862,453
Unrestricted funds					
Unrestricted funds	13,032	33,685	(12,330)	-	34,387
Total unrestricted funds	13,032	33,685	(12,330)	-	34,387
Total funds	4,929,249	1,493,031	(1,435,440)	(90,000)	4,896,840

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the Education Funding Agency.

Under the funding agreement with the secretary of state, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Restricted fixed assets funds contain assets purchased from Education Funding Agency grants and assets transferred on conversion from The Rose Road Association.

Unrestricted funds represent funds that can be used at the discretion of the governors.

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

18. Analysis of Net Assets Between Funds

Fund balances at 31 August 2014 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets			4,826,955	4,826,955
Current assets	34,387	197,821	-	232,208
Current liabilities	-	(55,323)	-	(55,323)
Pension scheme liability	-	(107,000)	-	(107,000)
Total net assets	34,387	35,498	4,826,955	4,896,840

19. Related Party Transactions

There were no other transactions undertaken with related parties such as are required to be disclosed.

20. Ultimate Controlling Party

There is no ultimate controlling party.

21. Company Limited by Guarantee

The School is a company limited by guarantee and does not have share capital.

22. Reconciliation of Net Incoming Resources Before Transfers to Net Cash Inflow from Operating Activities

	Total 2014	Total 2013 £
Net incoming resources before transfers	57,591	4,929,249
Fixed assets transferred from the Rose Road Association on conversion	-	(1,891,710)
Depreciation	140,586	65,577
Capital grants from DfE and other capital income	(69,330)	-
Interest receivable	(1,500)	(78)
FRS 17 pension cost less contributions payable (note 16)	17,000	-
Decrease/(Increase)in debtors	(21,451)	(968,485)
(Decrease)/Increase in creditors	(258,938)	1,214,563
Net cash inflow from operating activities	(136,042)	3,349,116

Rosewood School Limited

Notes to the Financial Statements (continued)

Year ending 31 August 2014

23. Returns on Investments and Servicing of Finance	Total 2014 £	Total 2013 £
Interest received	1,500	78
Net cash inflow from returns on investments and servicing of finance	1,500	78

24. Capital Expenditure and Financial Investment	Total 2014 £	Total 2013 £
Purchase of tangible fixed assets	(137,117)	(46,243)
Capital grants from DFE/EFA	44,330	(2,958,048)
Capital funding received from sponsors and others	25,000	-
Decrease in debtors	896,183	-
(Decrease) in creditors	(900,302)	-
	(71,906)	(3,004,291)

25. Analysis of Changes in Net Funds	At 1 September 2013 £	Cash flows	At 31 August 2014 £
Cash in hand and at bank	344,903	(206,448)	138,455
	344,903	(206,448)	138,455

26. Contingent Liabilities

The school had no contingent liabilities as at 31 August 2014 or 31 August 2013.

27. Members' Liability

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