

**Rosewood School Limited**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2019**

Company Registration Number:  
07667999 (England and Wales)

# Rosewood School Limited

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# Rosewood School Limited

## Reference and Administrative Details

### **Members:**

A Boyle  
E McCaughey  
N Vaughan

### **Trustees:**

S Ashmore (appointed 6 November 2018)  
A Boyle  
A Evans  
Z Evans  
J Hollyhock  
N Le Prevost  
L McCaughey (appointed 3 October 2018)  
M Smith (appointed 6 November 2018)  
S Williams

### **Senior Management Team:**

#### *Rosewood Free School*

Zoé Evans	Head Teacher
Sarah Clarke	Deputy Head Teacher

#### *Great Oaks School*

Andrew Evans	Head teacher
Angela Hardy	Deputy Head
Geraldine Lindsay	Deputy Head

#### *Trust*

Jo Allen	Post 16 DHT
Clair Smith	Director of Finance and Operations to 31 August 2019

### **Company Name**

Rosewood School Limited

### **Principal and Registered Office**

Rosewood Free School  
300 Alder Moor Road  
Southampton  
Hampshire  
SO16 5NA

### **Company Registration Number**

07667999 (England and Wales)

# Rosewood School Limited

## Reference and Administrative Details

### **Independent Auditor**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

### **Bankers**

Lloyds Bank Plc  
77 Shirley High Street  
Southampton  
SO15 3TX

Aldermore Bank Plc  
First Floor  
Block B  
Western House  
Lynchwood  
Peterborough  
PE2 6FZ

Hampshire Trust Bank  
PO Box 73115  
London  
EC4P 4GP

Nationwide Building Society  
PO Box 3  
5-11 St. Georges Street  
Douglas  
Isle of Man  
IM99 1AS

### **Solicitors**

Paris Smith  
1 London Road  
Southampton  
SO15 2AE

# Rosewood School Limited

## Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Rosewood Free 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.

Great Oaks School aims to provide education to all student aged 11-19 with Moderate to Severe Learning Difficulties (MLD, SLD).

### **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 Rosewood School Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Solent Special Education Trust (SSET).

Details of the trustees who served during the year and to the date these accounts are approved 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 the notes to the financial statements.

#### **Method of Recruitment and Appointment or Election of Trustees**

The recruitment and appointment of Trustees is the responsibility of the members. They aim to represent the range of stakeholders involved in the schools and reflect the different skills and experience required.

The members, governors and trustees complete an annual audit to identify gaps in skills and expertise.

The constitution and makeup of the Trustees was approved by the Regional School Commissioners in August 2017 at the formation of the MAT.

# Rosewood School Limited

## Trustees' Report

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Initial Trustee induction training is provided by Southampton Governor Services. Subsequent training is organised as required. Trustees and Governors receive Safeguarding training.

### **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 Teachers. 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 Teachers 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 Teachers and other staff in order to ensure that adequate financial controls are in place and operate in conjunction with the trust's Finance Manual.
- Formally approve the annual schools' budgets 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 Trust Improvement Plan and School Improvement Plan (delegated to LGBs)
- Monitoring of safeguarding and Child Protection procedures.

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

### *Finance Committee*

- Review the annual budget and recommend it to the board of trustees for approval;
- Review updated budget forecasts, at least every term;
- 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 schools will have adequate funds to meet their 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

### **Arrangements for setting pay and remuneration of key management personnel**

No non-staff trustees are paid. The Senior Leadership Team are all teachers, whose pay and remuneration is set in line with the School Teachers' Pay and Conditions Document (STPCD).

### **Trade union facility time**

There are no trade union officials employed by the school.

### **Objectives and Activities**

#### **Trust vision statement**

Individual schools with a shared focus on transforming lives through educational excellence

#### *Individual Schools*

- Every school within SSET will have an ethos which puts the learners at the centre and reflects these needs in their own establishment.
- Each school will determine the philosophy and principles that are the foundation to providing excellent teaching and learning for their pupils.
- The leadership of each school will have delegated freedoms within budgets to meet the specific needs of their learners.
- The leadership team in each school will lead the learning and determine the curriculum development and direction for their school.
- Every school will develop a school community where learners and their families feel valued.

#### *Shared Focus*

- We believe that as individuals, schools and communities we achieve better outcomes working in supportive partnerships.
- We value the experience skills and knowledge of all stakeholders within our trust and believe we can all learn from each other.
- We will work to ensure shared services work to benefit of all members of the trust and facilitate excellence in teaching and learning and ensure value for money.
- We will collaborate as school leaders to develop opportunities for the expansion of professional progression and the sharing of expertise across the trust.

#### *Educational Excellence*

- We will as trust members contribute to education research.
- We will expect all staff to be working towards attaining excellence in teaching and learning.
- We will ensure that all schools demonstrate the specialist nature of their school and promote exemplary practice across the trust.
- We will ensure that all schools maintain a wide perspective on educational development and look to use external advisors and/or trainers to develop new areas of expertise.
- We will promote collaboration with schools and professionals external to the trust to the mutual benefit of all learners with SEND.
- We will as a trust advocate for the learners and their families across a range of services.

# Rosewood School Limited

## Trustees' Report

### **Objects and Aims (continued)**

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 schools produce comprehensive School Improvement Plans annually which provide detailed information on all priorities which are monitored by the LGBs. The Trust also produces an Improvement Plan.

### **Public Benefit**

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

### **Strategic Report**

#### **Achievements and Performance**

Rosewood Free School was inspected by Ofsted in May 2018 and the leadership team has maintained the outstanding quality of education in the school.

#### *Key Findings*

- The school has grown in stature and as a result of the terrific leadership team, now wields significant influence in championing principled and high education for pupils with profound and multiple learning difficulties.
- 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.
- Teachers and support staff sustain high levels of engagement with pupils and this enables pupils to achieve well.
- First class relationships with parents assist greatly and enable the school to get the most out of pupils to secure good attendance. A fundamental foundation of the school's successful curriculum is teachers' well-planned and thoughtful approach to developing pupil's acquisition of communication skills and developing incrementally their cognitive development.
- The schools' work to keep pupils safe and secure is excellent and extends far beyond the school gate.
- In recent times, and following the formation of the MAT, new and well-considered governance structures have been agreed which include a key role for the local governing body.



# Rosewood School Limited

## Trustees' Report

### **Achievements and Performance (continued)**

Great Oaks School is due an OFSTED Inspection (its predecessor school was awarded a Good grade in 2013). The school was inspected by the Local Authority in 2018.

#### *2018/19 Key Findings – Pupil Achievement*

- Due to the learning difficulties and special educational needs of the young people who attend Great Oaks and Rosewood schools they are all working well below age related expectations. However pupils in both schools make significant progress towards their individual learning goals. A summary of data for the Year 18 / 19 is shown below.

#### *ImPACTS Data Summary 2018/19*

Overall 82% of learners achieved their expected rate or exceeded rate of progress. This year 18% exceeded, this is a predicted variable linked to the changes that were made to the PSEWB Self-Help assessment. Like the communication assessment last year a more detailed assessment has increased the numerical input and altered the ipsative figure with a margin of 6-15% improvement.

The 18% who did not meet expected, with the exception of one learner, can all be explained. 18% equals nine learners:

- 1 – To be discussed with teaching team and SLT.
- 2 – Have deteriorating conditions and their progress although below what was predicted is still to be celebrated, as it was with the families.
- 1 – We have moved some Annual Reviews as part of a review of teacher workload and this pupil did not have a full year's data collected as his Annual Review was moved forward.
- 4 – Are learners who have had significant medical and/or physical challenges this year that have all included stays in hospital.

#### *Pupil Premium*

The statistics with the overall population in school are comparative. 73% achieved expected rate and of the three who did not this includes one of the learners who have the deteriorating condition and two learners who have had significant medical issues over the year. Focused review of resourcing to support this group has continued and further developments planned in the forthcoming year.

# Rosewood School Limited

## Trustees' Report

### **Achievements and Performance (continued)**

#### *2018/19 Key Findings*

- The expected rate of progress for vulnerable learners is in line with overall progress. The measures to target individual needs using planned intervention with Pupil Premium spending need to be continued and prioritised.
- There is no statistical difference between the progress and meeting expected rates between girls and boys
- Post 19 learners with PMLD are following the same expected rates of progress as the whole school
- Learners with SLD make steadier progress and are not working in a three year cycle.
- The school has trialled and will be implementing on a rolling programme throughout the next academic year an electronic data collection via our ImPACTS assessment being uploaded onto an assessment platform, Earwig.

The Rosewood definitions of progress, linked to evidence gained through the process of ipsative data collection (the practice of assessing present performance against the prior performance of the person being assessed) are:

- <2% - a concerning rate that would indicate learner is not progressing a full multi-disciplinary review is required
- <6% - consolidation of existing learning
- 5-10% expected rate of ipsative progress for SLD learners
- 7-10% - indicates the emergence of a new skill / this also reflects progress from baseline to first ipsative for new P16 learners
- >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

The main influence impacting learner's progress is medical intervention and deterioration in health and wellbeing.

# Rosewood School Limited

## Trustees' Report

### Key Performance Indicators

The board of trustees has reviewed the schools' 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 7% for teaching staff and permanent support staff.
- Income streams – ESFA (Education & Skills Funding Agency) grants and Local Authority funding, alongside any other dedicated sources of income are monitored termly by the board of trustees. The schools prepare yearly budgets and rolling forecasts. The trust aimed to achieve a surplus before actuarial gains and losses and has achieved this for the year to 31 August 2019.
- Number of students – The Head Teachers lead the schools' marketing strategies.
- Rosewood Free School currently have 64 pupils on roll expected to rise to 70 by the end of the year. Great Oaks School currently has 213 on the roll.
- Great Oaks School have three offsite provisions – The Farm, The Lodge and Harcourt Road. The number of pupils attending these offsite provisions is 36 (6 at Harcourt and 30 at the Farm).
- Achievement and Attainment – The Head Teachers lead the schools' rigorous monitoring and evaluation programme to ensure that standards are challenged and improving. The schools have good reputations both locally and nationally.

### Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

# Rosewood School Limited

## Trustees' Report

### **Financial Review**

The schools are in a satisfactory financial position.

The actuarial report on the Local Government Pension scheme (LGPS) identifies a funding deficit under FRS102 and the schools' 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 schools, 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 2018. 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 schools 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 ESFA and improve the effectiveness of internal controls the Trust 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 Trust.

The Trust 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 Trust 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 £75,000 per school.

The reserves at 31 August 2019 were as follows:

- Unrestricted (free) reserves of £155,140
- A restricted fixed asset fund of £13,415,268, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £2,541,000
- Other restricted funds of £282,026
- Total funds of £11,311,434

### **Investment Policy**

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

# Rosewood School Limited

## Trustees' Report

### Principal Risks and Uncertainties

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

The Trust has further developed its system of internal control this year, including financial, operational and risk management which is designed to protect the Trust's assets and reputation. The Trust has also committed to a local agreement with another school to do internal audit moderation with at least two peer reviews in each school over the academic year.

Key areas include:

- **Government Funding:** The Trust 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 and level of need. The risk is mitigated by:
  - Ensuring the Trust is rigorous in delivering high quality Attainment and Achievement – Rosewood Free 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. Rosewood has had approval to increase APN to 75 from September 2019
  - Great Oaks School are awaiting OFSTED from their previous Ofsted of GOOD. Great Oaks aims to be an outstanding school
  - 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 70 students in Rosewood Free School and 215 in Great Oaks School.
- **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 Trust against damage or theft to property.
- **Pupil Numbers** – complex health needs of pupils with life limiting conditions often lead to pupil deaths at Rosewood - this is a risk to the school that cannot be mitigated.

# Rosewood School Limited

## Trustees' Report

### Fundraising

As part of its work within the community, the academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

### Plans for Future Periods

Rosewood Free School has been judged "Outstanding" by Ofsted for the fourth time. Both schools work very hard to raise standards in the education of children with MLD,SLD, PMLD and Sensory and Physical Difficulties. The unique assessment and curriculum (ImpACTS) devised by Rosewood 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.

Both schools are relentless in the pursuit of excellence in education. They continue to develop quality of teaching of learning through well considered and evaluative school improvement plans.

### Funds Held as Custodian Trustee on Behalf of Others

None

### Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27 November 2019 and signed on the board's behalf by:

A Boyle  
Trustee



# Rosewood School Limited

## Governance Statement

### 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 of Rosewood School, 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 Rosewood School Limited 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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Present:		Meetings Attended	Out of a Possible
Tony Boyle	Member / Chair of Trustees	5	5
Andy Evans	Trustee / Head Teacher Great Oaks	5	5
Zoé Evans	Trustee / CEO / Head Teacher Rosewood	5	5
Nick Le Prevost	Trustee / Vice Chair of Trustees	4	5
Sue Williams	Trustee	5	5
Juno Hollyhock	Trustee	3	5
Malcolm Smith	Trustee	3	5
Scott Ashmore	Trustee	4	5
Liz McCaughey	Trustee	4	5

### Governance reviews:

The Governance structure of the MAT has strengthened over the year. Following a skills audit a clear structure of accountability between Governors and Trustees has been developed.

Local governing bodies have a clear focus on standards of teaching and learning but also have a standing item of questions to and from the Trustees which is then mirrored in the Trustee meeting format.

The Trust was able to appoint in the Summer Term a permanent Clerk. Throughout the year per meeting Hampshire Governing Services have provided a Clerk who has been able to ensure due process, the overall organisation of Trustee communication has remained with the Head Teachers and Director of Finance and Operations.

Cross Trust appointments remain as the Finance and Operations but have been strengthened by making the Post 16 post that of Deputy Head.

# Rosewood School Limited

## Governance Statement

### Governance (continued)

The Finance Committee is a sub-committee of the main board of trustees. Attendance at meetings in the year was as follows:

Present:		Meetings Attended	Out of a Possible
Robert Burton		3	5
Zoé Evans	Head Teacher and Accounting Officer	5	5
Malcolm Smith		2	5
Andy Evans		5	5
Scott Ashmore		4	5
Neville Button		3	5
Clair Smith		5	5

### Review of Value for Money

As accounting officer the Head teacher of Rosewood School has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- At the most recent Ofsted inspection of Rosewood Free School, the inspector gave the school an outstanding status in all areas. The status was achieved as a result of the leadership shown by the school in setting new standards for education of PMLD children and is a tribute to the way in which all of the staff without inspection work towards achieving the highest standards possible within the funds made available. The staff are always seeking to improve on the educational achievements of the young people in the school whilst remaining within the resources available.
- The Trust is driven both by vision for excellence in education and the provision of appropriate placements but also the opportunities the Trust affords the schools to streamline and combine services and use the combined buying power to reduce overall costs.
- All staff continue to be informed of the current financial situation locally and nationally in education and have adopted a more prudent attitude to spending. Authorisation of all spending is monitored by the senior leadership team.



# Rosewood School Limited

## Governance Statement

### Review of Value for Money (continued)

- Rosewood Free School continues to benefit from the income generated from ImPACTS and continues to offer training and have expanded the number of schools nationally updating the system. The school has introduced an annual fee to cover the on-going updating of curriculum materials undertaken by the school.
- Rosewood School has adopted the successful practice from Great Oaks and has now trained and appointed two staff to the Higher Level Teaching Assistant to help with cost of supply teachers when staff members are off sick. The schools are now training two team members to be able to deliver this training and be able to provide an additional income stream by offering to other Special Schools.
- Great Oaks School continues to lease out parts of the school and generate income from the lettings.
- Due to demand on places but also to adapt to static funding Rosewood increased the class sizes from six to seven learners per class in some classes during 18/19. It is likely this will become the norm in all classes during academic year 19/20.
- Great Oaks has worked closely with the Local Authority and has expanded again during academic year 18/19, including securing funding from the LA for building works to support the expansion.
- The schools continue the practice of offering fixed term contracts. This policy will be continued and the impact on recruitment and retention will be reviewed. Decisions for senior leadership posts have been to remove the fixed term element.
- As the Trust develops and expands the staffing structure is continuously under review. Staff are deployed to meet the individual needs of each pupil. Rigorous training ensures that staff are skilled and highly effective in supporting the learning across the schools.
- Internal controls maximise the use of assets. Risks are regularly reviewed by the senior leadership team and by the trustees.
- The finance committee has adopted the role of Finance and audit committee. The decision was made to use a peer to peer system with other Special School business leads as part of internal audit monitoring.

# Rosewood School Limited

## Governance Statement

### **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 Rosewood School Limited for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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 delegated this function to the Finance Committee. Following advice a system of Peer to Peer internal audits has been implemented during 2018/19.

# Rosewood School Limited

## Governance Statement

### Review of Effectiveness

As accounting officer the Head Teacher of Rosewood School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

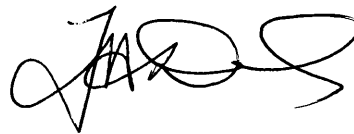
- The work of the Director of Finance and Operations and the finance administration team
- The work of the monitoring and challenge undertaken by the Finance Committee;
- The work of the external auditor

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

Approved by order of the members of the board of trustees on 27 November 2019 and signed on its behalf by:



**A Boyle**  
Trustee



**Z Evans**  
Accounting Officer

# Rosewood School Limited

## Statement of Regularity, Propriety and Compliance

As accounting officer of Rosewood School Limited 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 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2018.

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.



**Z Evans**

Accounting Officer

27 November 2019

# Rosewood School Limited

## Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 27 November 2019 and signed on its behalf by:

A Boyle  
Trustee



# Rosewood School Limited

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

### Opinion

We have audited the financial statements of Rosewood School Limited ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 2019 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 properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

### 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

# Rosewood School Limited

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# Rosewood School Limited

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

### Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

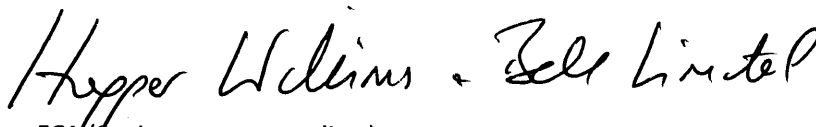
### Our responsibilities for the audit of the financial statements

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

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

### 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.



D Brookes FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 9 December 2019



# Rosewood School Limited

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

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rosewood School Limited during the period 1 September 2018 to 31 August 2019 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 the governing body and the ESFA 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 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 the Rosewood School Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Rosewood School Limited'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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# Rosewood School Limited

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

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

# Rosewood School Limited

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

### 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Hopper Williams & Bell Limited*

D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... *9 December 2019* .....

# Rosewood School Limited

## Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
<b>Income and endowments from:</b>							
Donations and capital grants	2	17,034	-	-	44,277	61,311	51,744
Transfer from local authority on conversion		-	-	-	6,340,000	6,340,000	1,718,741
<b>Charitable activities:</b>							
Funding for the academy trust's educational operations	3	-	5,970,865	-	-	5,970,865	5,700,076
Other trading activities	4	47,972	25,136	-	-	73,108	86,398
Investments	5	2,206	-	-	-	2,206	1,894
<b>Total</b>		<b>67,212</b>	<b>5,996,001</b>	<b>-</b>	<b>6,384,277</b>	<b>12,447,490</b>	<b>7,558,853</b>
<b>Expenditure on:</b>							
Raising funds	6	-	82,222	-	-	82,222	78,932
<b>Charitable activities:</b>							
Academy trust educational operations	7	-	5,878,475	485,000	380,926	6,744,401	5,979,685
<b>Total</b>		<b>-</b>	<b>5,960,697</b>	<b>485,000</b>	<b>380,926</b>	<b>6,826,623</b>	<b>6,058,617</b>
<b>Net income / (expenditure)</b>		<b>67,212</b>	<b>35,304</b>	<b>(485,000)</b>	<b>6,003,351</b>	<b>5,620,867</b>	<b>1,500,236</b>
<b>Transfers between funds</b>	17	-	(23,488)	-	23,488	-	-
<b>Other recognised gains / (losses):</b>							
Actuarial (losses) / gains on defined benefit pension schemes	25	-	-	(736,000)	-	(736,000)	412,000
<b>Net movement in funds</b>		<b>67,212</b>	<b>11,816</b>	<b>(1,221,000)</b>	<b>6,026,839</b>	<b>4,884,867</b>	<b>1,912,236</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		87,928	270,210	(1,320,000)	7,388,429	6,426,567	4,514,331
<b>Total funds carried forward</b>		<b>155,140</b>	<b>282,026</b>	<b>(2,541,000)</b>	<b>13,415,268</b>	<b>11,311,434</b>	<b>6,426,567</b>

The notes on pages 29 to 51 form part of these financial statements.

# Rosewood School Limited

## Balance Sheet as at 31 August 2019

Company Number 07667999

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	12		13,415,268		7,370,359
<b>Current assets</b>					
Debtors	13	1,051,067		329,067	
Investments	14	50,000		50,000	
Cash at bank and in hand		698,850		808,817	
		<u>1,799,917</u>		<u>1,187,884</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(1,340,657)</u>		<u>(751,707)</u>	
<b>Net current assets</b>			<u>459,260</u>		<u>436,177</u>
<b>Total assets less current liabilities</b>			<u>13,874,528</u>		<u>7,806,536</u>
Creditors:					
Amounts falling due after more than one year	16		<u>(22,094)</u>		<u>(59,969)</u>
<b>Net assets excluding pension liability</b>			<u>13,852,434</u>		<u>7,746,567</u>
Defined benefit pension scheme liability	25		<u>(2,541,000)</u>		<u>(1,320,000)</u>
<b>Total net assets</b>			<u>11,311,434</u>		<u>6,426,567</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	13,415,268		7,388,429	
Restricted income fund	17	282,026		270,210	
Pension reserve	17	<u>(2,541,000)</u>		<u>(1,320,000)</u>	
<b>Total restricted funds</b>			<u>11,156,294</u>		<u>6,338,639</u>
<b>Unrestricted income funds</b>	17		<u>155,140</u>		<u>87,928</u>
<b>Total funds</b>			<u>11,311,434</u>		<u>6,426,567</u>

The financial statements on pages 26 to 51 were approved by the trustees and authorised for issue on 27 November 2019 and are signed on their behalf by:

A Boyle  
Trustee



The notes on pages 29 to 51 form part of these financial statements.

# Rosewood School Limited

## Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	21	(24,132)	445,820
<b>Cash flows from investing activities</b>	22	(85,835)	(41,073)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(109,967)</u>	<u>404,747</u>
<b>Cash and cash equivalents at 1 September 2018</b>		<b>808,817</b>	<b>404,070</b>
<b>Cash and cash equivalents at 31 August 2019</b>	23	<u><b>698,850</b></u>	<u><b>808,817</b></u>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 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.

#### Basis of Preparation

The financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### Going Concern

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

#### Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

- **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.

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Income (continued)

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.



# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land and Buildings	7 to 50 years straight line on buildings; not provided on land
Furniture and Equipment	5 years straight line
Computer Equipment	3 to 5 years straight line
Motor Vehicles	8 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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.

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### **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.

### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### **Leased Assets**

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

### **Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

#### *Financial assets*

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

#### *Current asset investments*

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

#### *Cash at bank*

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.

### **Taxation**

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

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

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### **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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

The assumptions used are disclosed in note 25.

### Critical areas of judgement

There are no other critical areas of judgement.

## 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	44,277	44,277	32,562
Other donations	17,034	-	17,034	19,182
	<u>17,034</u>	<u>44,277</u>	<u>61,311</u>	<u>51,744</u>
<i>Total 2018</i>	<u>19,182</u>	<u>32,562</u>	<u>51,744</u>	

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	2,840,657	<b>2,840,657</b>	2,604,755
Pupil premium	-	93,604	<b>93,604</b>	90,765
Other DfE Group grants	-	61,198	<b>61,198</b>	40,428
	-	2,995,459	<b>2,995,459</b>	2,735,948
<b>Other Government grants</b>				
Local authority grants	-	2,815,253	<b>2,815,253</b>	2,952,914
	-	2,815,253	<b>2,815,253</b>	2,952,914
<b>Other income from the academy trust's educational operations</b>				
Other income	-	160,153	<b>160,153</b>	11,214
	-	160,153	<b>160,153</b>	11,214
	-	5,970,865	<b>5,970,865</b>	5,700,076
<i>Total 2018</i>	-	<i>5,700,076</i>	<b><i>5,700,076</i></b>	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	11,211	-	<b>11,211</b>	7,964
Uniform income	5,117	-	<b>5,117</b>	3,180
Catering income	-	25,136	<b>25,136</b>	23,939
Consultancy income	5,911	-	<b>5,911</b>	26,380
Other trading income	25,733	-	<b>25,733</b>	24,935
	47,972	25,136	<b>73,108</b>	86,398
<i>Total 2018</i>	<i>62,459</i>	<i>23,939</i>	<b><i>86,398</i></b>	

### 5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	2,206	-	<b>2,206</b>	1,894
<i>Total 2018</i>	<i>1,894</i>	-	<b><i>1,894</i></b>	

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other	2018/19	2017/18
	£	£	£	£	£
Expenditure on raising funds	-	-	82,222	82,222	78,932
Academy's educational operations:					
Direct costs	4,512,789	-	641,442	5,154,231	4,760,402
Allocated support costs	987,810	385,242	217,118	1,590,170	1,219,283
	<u>5,500,599</u>	<u>385,242</u>	<u>940,782</u>	<u>6,826,623</u>	<u>6,058,617</u>
<i>Total 2018</i>	<i>4,962,145</i>	<i>355,659</i>	<i>740,813</i>	<i>6,058,617</i>	

Net income/(expenditure) for the period includes:

	2018/19	2017/18
	£	£
Operating lease rentals	3,548	2,915
Depreciation	380,926	206,291
Fees payable to auditor for:		
Audit	9,500	6,225
Other services	1,450	1,330
	<u>9,950</u>	<u>7,550</u>

### 7 Charitable activities

	2018/19	2017/18
	Total	Total
	£	£
Direct costs	5,154,231	4,760,402
Support costs	1,590,170	1,219,283
	<u>6,744,401</u>	<u>5,979,685</u>

Analysis of support costs:

	Educational operations	2018/19 Total	2017/18 Total
	£	£	£
Support staff costs	987,810	987,810	653,627
Technology costs	23,882	23,882	20,008
Premises costs	385,242	385,242	355,659
Other support costs	182,286	182,286	175,379
Governance costs	10,950	10,950	14,610
Total support costs	<u>1,590,170</u>	<u>1,590,170</u>	<u>1,219,283</u>
<i>Total 2018</i>	<i>1,219,283</i>	<i>1,219,283</i>	

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 8 Staff

#### a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	4,082,325	3,772,366
Social security costs	324,020	391,733
Pension costs	1,011,766	729,268
	<u>5,418,111</u>	<u>4,893,367</u>
Agency staff costs	82,488	68,778
	<u>5,500,599</u>	<u>4,962,145</u>

#### b) Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	44	43
Administration and support	141	138
Management	6	7
	<u>191</u>	<u>188</u>

#### c) Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	1	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1

#### d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £594,395 (2018: £544,607).

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

		2018/19	2017/18
		£000	£000
Zoé Evans	Remuneration	75-80	70-75
(CEO and Accounting Officer)	Employer’s pension contributions paid	10-15	10-15
Andy Evans	Remuneration	85-90	80-85
(Head Teacher)	Employer’s pension contributions paid	10-15	10-15

During the period ended 31 August 2019, no trustees received any reimbursement of expenses (2018: £582 to one trustee).

### 10 Trustees and officers insurance

The academy trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

### 11 Central Services

The academy trust has provided the following central services to its academies during the year:

- Staff costs - senior management team

The academy trust charges for these services on the following basis:

- Recharged at cost for work relating to the trust as a whole

The actual amounts charged during the year were as follows:

	2018/19	2017/18
	£	£
Great Oaks School	69,426	53,404
	<u>69,426</u>	<u>53,404</u>



# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2018	7,821,516	250,350	67,736	94,825	8,234,427
Acquisitions	3,382	37,593	24,265	20,595	85,835
Revaluations	6,340,000	-	-	-	6,340,000
At 31 August 2019	<u>14,164,898</u>	<u>287,943</u>	<u>92,001</u>	<u>115,420</u>	<u>14,660,262</u>
<b>Depreciation</b>					
At 1 September 2018	578,591	176,763	57,254	51,460	864,068
Charged in year	324,306	29,164	8,869	18,587	380,926
At 31 August 2019	<u>902,897</u>	<u>205,927</u>	<u>66,123</u>	<u>70,047</u>	<u>1,244,994</u>
<b>Net book values</b>					
At 31 August 2018	7,242,925	73,587	10,482	43,365	7,370,359
At 31 August 2019	<u>13,262,001</u>	<u>82,016</u>	<u>25,878</u>	<u>45,373</u>	<u>13,415,268</u>

The academy trust's transactions relating to land and buildings included:

- During the year the ESFA provided a valuation for the Great Oaks School land and buildings on conversion at a higher figure than estimated in the prior year. This increase has been recorded as a revaluation within the current year.

### 13 Debtors

	2018/19 £	2017/18 £
Trade debtors	834,263	204,704
VAT recoverable	45,491	34,140
Other debtors	26,074	24,154
Prepayments and accrued income	145,239	66,069
	<u>1,051,067</u>	<u>329,067</u>

### 14 Current asset investments

	2018/19 £	2017/18 £
Bank deposits	<u>50,000</u>	<u>50,000</u>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 15 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	101,748	34,332
Other taxation and social security	74,763	75,036
Other creditors falling due within one year	113,808	193,752
Accruals and deferred income	1,050,338	448,587
	<u>1,340,657</u>	<u>751,707</u>

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	360,506	654,565
Released from previous years	(360,506)	(654,565)
Resources deferred in the year	1,014,287	360,506
Deferred Income at 31 August 2019	<u>1,014,287</u>	<u>360,506</u>

At the balance sheet date the academy trust was holding funds received in advance for grant funding which relates to the forthcoming financial year.

### 16 Creditors: amounts falling due in greater than one year

	2018/19	2017/18
	£	£
Other creditors falling due in greater than one year	22,094	59,969
	<u>22,094</u>	<u>59,969</u>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	270,210	2,840,657	(2,805,353)	(23,488)	-	<b>282,026</b>
Pupil Premium	-	93,604	(93,604)	-	-	-
Other DfE/ESFA grants	-	61,198	(61,198)	-	-	-
Other government grants	-	2,815,253	(2,815,253)	-	-	-
Other educational activities	-	185,289	(185,289)	-	-	-
	<b>270,210</b>	<b>5,996,001</b>	<b>(5,960,697)</b>	<b>(23,488)</b>	<b>-</b>	<b>282,026</b>
Pension reserve	(1,320,000)	-	(485,000)	-	(736,000)	<b>(2,541,000)</b>
	<b>(1,049,790)</b>	<b>5,996,001</b>	<b>(6,445,697)</b>	<b>(23,488)</b>	<b>(736,000)</b>	<b>(2,258,974)</b>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	7,370,359	6,340,000	(380,926)	85,835	-	<b>13,415,268</b>
DfE Group capital grants (DFC)	-	44,277	-	(44,277)	-	-
Balance on conversion	18,070	-	-	(18,070)	-	-
	<b>7,388,429</b>	<b>6,384,277</b>	<b>(380,926)</b>	<b>23,488</b>	<b>-</b>	<b>13,415,268</b>
<b>Total restricted funds</b>	<b>6,338,639</b>	<b>12,380,278</b>	<b>(6,826,623)</b>	<b>-</b>	<b>(736,000)</b>	<b>11,156,294</b>
<b>Total unrestricted funds</b>	<b>87,928</b>	<b>67,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,140</b>
<b>Total funds</b>	<b>6,426,567</b>	<b>12,447,490</b>	<b>(6,826,623)</b>	<b>-</b>	<b>(736,000)</b>	<b>11,311,434</b>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 17 Funds (continued)

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

#### **General annual grant**

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre- and post-16 high needs funding streams.

#### **Other DfE/ESFA grants**

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

#### **Local authority grants**

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### **Other educational activities**

This includes all other educational income/expenditure.

#### **Pension reserve**

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy trust on conversion.

#### **Fixed asset fund**

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### **DfE/ESFA capital grants**

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 17 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2018/19	2017/18
	£	£
Rosewood School	501,222	447,480
Great Oaks School	<b>(64,056)</b>	<b>(89,342)</b>
Total before fixed assets and pension reserve	<b>437,166</b>	358,138
Restricted fixed asset fund	<b>13,415,268</b>	7,388,429
Pension reserve	<b>(2,541,000)</b>	<b>(1,320,000)</b>
<b>Total</b>	<b>11,311,434</b>	<b>6,426,567</b>

Great Oaks School joined Rosewood Free School to form a multi-academy trust (MAT) (Rosewood School Limited) on 1 September 2017. There was a deficit of £113,626 to bring across from the local authority to the MAT.

The academy trust is taking the following action to return the academy to surplus:

The EFSA have paid this sum to the local authority and Great Oaks School is paying the amount back to the EFSA on a monthly basis over a term of 36 months.

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (Excl. dep- reciation)	2018/19 Total	2017/18 Total
	£	£	£	£	£	£
Rosewood School	1,489,090	407,451	85,539	193,022	<b>2,175,102</b>	2,050,474
Great Oaks School	3,023,699	580,359	174,977	491,560	<b>4,270,595</b>	3,801,852
	<b>4,512,789</b>	<b>987,810</b>	<b>260,516</b>	<b>684,582</b>	<b>6,445,697</b>	<b>5,852,326</b>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 17 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	212,560	2,604,755	(2,523,146)	(23,959)	-	<b>270,210</b>
Pupil Premium	-	90,765	(90,765)	-	-	-
Other DfE/ESFA grants	-	40,428	(40,428)	-	-	-
Other government grants	-	2,952,914	(2,952,914)	-	-	-
Other educational activities	-	35,153	(35,153)	-	-	-
	<b>212,560</b>	<b>5,724,015</b>	<b>(5,642,406)</b>	<b>(23,959)</b>	<b>-</b>	<b>270,210</b>
Pension reserve	(384,000)	(1,155,000)	(193,000)	-	412,000	<b>(1,320,000)</b>
	<b>(171,440)</b>	<b>4,569,015</b>	<b>(5,835,406)</b>	<b>(23,959)</b>	<b>412,000</b>	<b>(1,049,790)</b>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	4,567,752	2,967,825	(206,291)	41,073	-	<b>7,370,359</b>
DfE Group capital grants (DFC)	-	15,642	-	(15,642)	-	-
Local authority capital grants	-	16,920	(16,920)	-	-	-
Balance on conversion	-	19,542	-	(1,472)	-	<b>18,070</b>
	<b>4,567,752</b>	<b>3,019,929</b>	<b>(223,211)</b>	<b>23,959</b>	<b>-</b>	<b>7,388,429</b>
<b>Total restricted funds</b>	<b>4,396,312</b>	<b>7,588,944</b>	<b>(6,058,617)</b>	<b>-</b>	<b>412,000</b>	<b>6,338,639</b>
<b>Total unrestricted funds</b>	<b>118,019</b>	<b>(30,091)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,928</b>
<b>Total funds</b>	<b>4,514,331</b>	<b>7,558,853</b>	<b>(6,058,617)</b>	<b>-</b>	<b>412,000</b>	<b>6,426,567</b>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 18 Analysis of net assets between funds

	Un- restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	13,415,268	13,415,268
Current assets	155,140	1,644,777	-	-	1,799,917
Current liabilities	-	(1,340,657)	-	-	(1,340,657)
Non-current liabilities	-	(22,094)	-	-	(22,094)
Pension scheme liability	-	-	(2,541,000)	-	(2,541,000)
<b>Total net assets</b>	<b>155,140</b>	<b>282,026</b>	<b>(2,541,000)</b>	<b>13,415,268</b>	<b>11,311,434</b>

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

	Un- restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	7,370,359	7,370,359
Current assets	87,928	1,081,886	-	18,070	1,187,884
Current liabilities	-	(751,707)	-	-	(751,707)
Non-current liabilities	-	(59,969)	-	-	(59,969)
Pension scheme liability	-	-	(1,320,000)	-	(1,320,000)
<b>Total net assets</b>	<b>87,928</b>	<b>270,210</b>	<b>(1,320,000)</b>	<b>7,388,429</b>	<b>6,426,567</b>

### 19 Capital commitments

	2018/19	2017/18
	£	£
Contracted for, but not provided in the financial statements	125,827	-

### 20 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19	2017/18
	£	£
Amounts due within one year	2,232	2,860
Amounts due between one and five years	1,121	3,023
	<b>3,353</b>	<b>5,883</b>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018/19	2017/18
	£	£
Net income for the reporting period	5,620,867	1,500,236
Adjusted for:		
Depreciation	380,926	206,291
Defined benefit pension scheme cost less contributions payable	454,000	159,000
Defined benefit pension scheme finance cost	31,000	34,000
Defined benefit pension scheme transfer on conversion	-	1,155,000
Tangible fixed assets transfer on conversion	(6,340,000)	(2,967,825)
(Increase) / decrease in debtors	(722,000)	340,495
Increase in creditors	551,075	18,623
Net cash (used in) / provided by Operating Activities	<u>(24,132)</u>	<u>445,820</u>

### 22 Cash flows from investing activities

	2018/19	2017/18
	£	£
Purchase of tangible fixed assets	(85,835)	(41,073)
Net cash used in investing activities	<u>(85,835)</u>	<u>(41,073)</u>

### 23 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	<u>698,850</u>	<u>808,817</u>

### 24 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.



# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 25 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 Hampshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £73,936 were payable to the schemes at 31 August 2019 (2018: £69,775) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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 valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:  
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 25 Pension and similar obligations (continued)

#### Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, has rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £224,319 (2018: £150,014).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

	2019	2018
	£	£
Employer's contributions	435,000	349,000
Employees' contributions	133,000	107,000
	<u>568,000</u>	<u>456,000</u>

The agreed contribution rates for future years are 16.2% for employers and 5.5% to 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 25 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	2019	2018
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate +0.1%	(134,000)	(93,000)
Discount rate -0.1%	137,000	95,000
Mortality assumption – 1 year increase	209,000	120,000
Mortality assumption – 1 year decrease	(207,000)	(120,000)

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

	2019	2018
	£	£
Equities	2,195,000	1,891,000
Property	263,000	204,000
Government bonds	751,000	678,000
Corporate bonds	-	36,000
Cash	69,000	68,000
Other	368,000	83,000
Total market value of assets	3,646,000	2,960,000

The actual return on scheme assets was £191,000 (2018: £185,000).

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 25 Pension and similar obligations (continued)

#### Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	570,000	508,000
Past service cost	319,000	-
Interest income	(90,000)	(64,000)
Interest cost	121,000	98,000
Total amount recognised in the SOFA	<u>920,000</u>	<u>542,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

	2018/19	2017/18
	£	£
<b>At 1 September</b>	<b>4,280,000</b>	<b>1,043,000</b>
Conversion of academy trusts	-	2,845,000
Current service cost	570,000	508,000
Interest cost	121,000	98,000
Employee contributions	133,000	107,000
Actuarial loss / (gain)	837,000	(291,000)
Benefits paid	(73,000)	(30,000)
Past service cost	319,000	-
<b>At 31 August</b>	<b><u>6,187,000</u></b>	<b><u>4,280,000</u></b>

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

	2018/19	2017/18
	£	£
<b>At 1 September</b>	<b>2,960,000</b>	<b>659,000</b>
Conversion of academy trusts	-	1,690,000
Interest income	90,000	64,000
Actuarial gain	101,000	121,000
Employer contributions	435,000	349,000
Employee contributions	133,000	107,000
Benefits paid	(73,000)	(30,000)
<b>At 31 August</b>	<b><u>3,646,000</u></b>	<b><u>2,960,000</u></b>

# Rosewood School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 26 Related party transactions

Owing to the nature of the academy trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### Expenditure Related Party Transactions:

P Orchard - trustee until 24 August 2018

- The academy trust purchased services from P Orchard totalling £7,617 (2018: £6,634) during the period. There were no amounts outstanding at 31 August 2019 (2018: £nil).