

Rosewood School Limited
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2020

Company Registration Number:
07667999 (England and Wales)

Rosewood School Limited

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Rosewood School Limited

Reference and Administrative Details

Members:

A Boyle
C Dixon
E McCaughey
N Vaughan
S Williams (appointed 16 September 2020)

Trustees:

S Ashmore
A Boyle
A Evans
Z Evans
R Gregory (appointed 12 December 2019)
J Hollyhock
N Le Prevost
E McCaughey
M Smith
S Williams

Senior Management Team:

Rosewood Free School

Z Evans	Head Teacher
S Clarke	Deputy Head Teacher
N Seel	Head of Early Years Development

Great Oaks School

A Evans	Head teacher
A Hardy	Deputy Head Teacher
G Lindsay	Deputy Head Teacher

Trust

J Allen	Post 16 Deputy Head Teacher
J Frost	Finance and Operations Manager

Company Name

Rosewood School Limited

Rosewood School Limited

Reference and Administrative Details

Principal and Registered Office
Rosewood Free School
300 Aldermoor Road
Southampton
Hampshire
SO16 5NA

Company Registration Number
07667999 (England and Wales)

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
Hampshire
SO15 3TX

Hampshire Trust Bank
PO Box 73115
London
EC4P 4GP

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

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

Solicitors
Paris Smith
1 London Road
Southampton
Hampshire
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 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. It should be noted that this period covers the national pandemic of Covid-19 and a period of national lockdown.

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 companies are known as Rosewood Free School and Great Oaks School.

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 Headteachers. 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 Headteachers 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 Headteachers 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

Organisational Structure (continued)

Risk Management

The Trustees have reviewed the key risks to which the schools are exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the schools' significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

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

Rosewood School Limited

Trustees' Report

Objectives and Activities (continued)

Educational Excellence

- We will as trust members contribute to education research both external and action research based
- 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

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.

Rosewood School Limited

Trustees' Report

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.

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.

2019/20 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 19 / 20 for each school is detailed below. It should be noted that the collection of data has been impacted by the national lockdown due to the Covid-19 pandemic.

Rosewood School Limited

Trustees' Report

Achievements and Performance (continued)

Rosewood Data Summary

ImPACTS Data Summary 2019/20

Data Analysis and Development:

- Overall 87% of learners achieved their expected rate or exceeded rate of progress.
- The 13% equates to 7 learners:
 - A: poor health and subsequently low attendance
 - B: complex safeguarding situation, inconsistent placement and prolonged stays in hospital
 - C: changing body due to age and mood has altered
 - D: fluctuating health and complex seizures
 - E: -just below expected but overall a positive year, does need challenging on communication strategies
 - F: concerns over regression but this will be reviewed in the autumn term
 - G: child with aggressive regressive condition
- All the above, bar G, have been followed up by SLT, conversations with teaching team and where relevant discussed with MDT

Pupil Premium:

- 87.5 % achieved their expected rate or exceeded
- The one learner who did not is a child who has a deteriorating condition, they did make some progress but not at the rate we would typically expect for a learner with PMLD in Key Stage 1
- We were able to see the impact of targeted spending plans being completed early in the Autumn term to ensure these learners were able to get maximum benefit

2019/20 Key Findings

- The expected rate of progress for vulnerable learners is in line with overall progress.
- Planned spending and targeted resources in the Autumn term have impacted learning opportunities
- 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.
- All learners have assessment data on electronic platform.

Rosewood School Limited

Trustees' Report

Achievements and Performance (continued)

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
-
- Main influence impacting learner's progress is medical intervention and deterioration in health and wellbeing.

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 both schools for teaching staff with 0% at RWS and 4.7% GO
- Support staff turnover is slightly higher at RWS at 23.2% and at GO was 13.4%
- Income streams – EFA (Education Funding Agency) grants and Local Authority funding, alongside any other dedicated sources of income are monitored termly by the board of trustees. The schools prepare yearly budgets and rolling forecasts. The schools aimed to achieve a surplus before actuarial gains and losses and have achieved this for the year to 31 August 2020.
- Number of students – The Headteachers lead the schools' marketing strategies.
- Rosewood Free School currently have 66 pupils on roll expected to rise to 70 by the end of the year. Great Oaks School currently has 246 on the roll.
- Great Oaks School have 3 offsite provisions – The Farm, The Lodge and Harcourt Road. The number of pupils attending these offsite provisions is 38 (4 at Harcourt and 34 at the Farm).
- The Trustees had requested both schools to monitor staff absence and currently at RWS absence is 5.16%. At GO it is 2.56%
- Achievement and Attainment – The Headteachers 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.

Rosewood School Limited

Trustees' Report

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.

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 Fund Valuation in 2019. 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, the next review being in 2022.

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.

As at 31 August 2020, the reserves were as follows:

- Unrestricted (free) reserves of £266,590
- A restricted fixed asset fund of £13,343,919, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £4,123,000
- Other restricted funds of £140,424
- Total funds of £9,627,933

Rosewood School Limited

Trustees' Report

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.

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 does 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 finding a partner to carry out Internal Audit visits at least twice per year, recommended in the Spring and Summer Terms.

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 70 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 230 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 10 December 2020 and signed on the board's behalf by:

A S Boyle

A S Boyle (Dec 10, 2020 16:48 GMT)

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 that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities set out in the funding agreement between Rosewood School Limited and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Name	11.09.19	27.11.19	12.02.20	06.05.20 Virtual	02.06.20 Virtual	08.07.20 Virtual
Nick Vaughan	✓					
Carol Dixon						
Tony Boyle	✓	✓	x	✓	✓	✓
Liz McCaughey	✓	x	✓	✓	✓	✓
Nick LeProvost	✓	✓	✓	✓	✓	x
Sue Williams	✓	✓	✓	✓	✓	✓
Juno Hollyhock	✓	✓	x	✓	✓	x
Scott Ashmore	✓	✓	x	✓	✓	✓
Malcolm Smith	✓	✓	✓	✓	✓	✓
Rosemary Gregory		✓	x	✓	✓	✓
Zoe Evans	✓	✓	✓	✓	✓	✓
Andy Evans	✓	✓	✓	✓	✓	✓

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 has a permanent Clerk, via Hampshire Governor Services, who has been able to ensure due process, the overall organisation of Trustee communication has remained with the Headteachers and Finance and Operations Manager.

Rosewood School Limited

Governance Statement

Governance (continued)

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

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

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Robert Burton	3	5
Zoé Evans (Headteacher and Accounting Officer)	5	5
Malcolm Smith	3	5
Andy Evans	4	5
Scott Ashmore (Chair)	5	5
Neville Button	3	5
Jen Frost (in attendance)	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 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 has adopted the successful practice from Great Oaks and has now trained and appointed some staff to the Higher Level Teaching Assistant to help with cost of supply teachers when staff members are off sick. Two team members are able to deliver this training and will be able to provide an additional income stream by offering accreditation to other Special Schools once the pandemic allows.

Rosewood School Limited

Governance Statement

Review of Value for Money (continued)

- Great Oaks School continues to lease out parts of the school and generate income from lettings when the pandemic allows.
- 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. This has become the norm in all classes during academic year 19/20 and it is likely the PAN will increase in future years.
- Great Oaks has worked closely with the Local Authority and has expanded again during academic year 19/20, securing funding from the LA for building works to support the expansion. Pupil numbers have increased again this academic year and will continue to do so in the future.
- 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.
- The continued secondment of staff to provide an adult learning provision for learners placed at Rose Road's adult day service, brings in essential revenue to support the impact of static funding from the LA.
- 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, however due to the pandemic, this has proved difficult to arrange this year. Another arrangement is being looked at for the 2020-2021 academic year.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Rosewood School Limited

Governance Statement

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 was implemented during 2018/19 and due to the Covid-19 pandemic, no on-site internal audits were able to be carried out during the 2019/20 academic year. Alternative arrangements have been made to carry out internal audit reviews in the spring and summer terms in 2021.

Review of Effectiveness

As accounting officer the Headteacher of Rosewood Free 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 Finance and Operations Manager 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 results of a review of the system of internal control undertaken by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2020 and signed on its behalf by:

A S Boyle
A S Boyle (Dec 10, 2020 16:48 GMT)

A Boyle
Trustee

Zoe Evans
Zoe Evans (Dec 10, 2020 16:57 GMT)

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 2019.

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 2019.

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.

Zoe Evans
Zoe Evans (Dec 10, 2020 16:57 GMT)

Z Evans
Accounting Officer
10 December 2020

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 2019 and the Academies Accounts Direction 2019 to 2020
- 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 10 December 2020 and signed on its behalf by:


A S Boyle (Dec 10, 2020 16:48 GMT)

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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and Academies Accounts Direction 2019 to 2020.

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 Trustees' Report (including the 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. 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.

David Brookes

David Brookes (Dec 17, 2020 15:36 GMT)

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 17/12/2020

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 2019 to 2020, 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 2019 to 31 August 2020 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 Board of Trustees 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Financial Notices to Improve have been issued to the academy trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the academy trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the academy trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Brookes

David Brookes (Dec 17, 2020 15:36 GMT)

D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

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

Date 17/12/2020

Rosewood School Limited

Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £	2018/19 Total £
Income and endowments from:							
Donations and capital grants	2	50,683	350	-	17,066	68,099	61,311
Transfer from local authority on conversion		-	-	-	-	-	6,340,000
Charitable activities:							
Funding for the academy trust's educational operations	3	-	6,586,782	-	-	6,586,782	5,970,865
Other trading activities	4	58,215	21,000	-	-	79,215	73,108
Investments	5	2,552	-	-	-	2,552	2,206
Total		111,450	6,608,132	-	17,066	6,736,648	12,447,490
Expenditure on:							
Raising funds	6	-	67,693	-	-	67,693	82,222
Charitable activities:							
Academy trust educational operations	7	-	6,444,880	653,000	325,576	7,423,456	6,744,401
Total		-	6,512,573	653,000	325,576	7,491,149	6,826,623
Net income / (expenditure)		111,450	95,559	(653,000)	(308,510)	(754,501)	5,620,867
Transfers between funds	18	-	(237,161)	-	237,161	-	-
Other recognised gains / (losses):							
Actuarial losses on defined benefit pension schemes	27	-	-	(929,000)	-	(929,000)	(736,000)
Net movement in funds		111,450	(141,602)	(1,582,000)	(71,349)	(1,683,501)	4,884,867
Reconciliation of funds							
Total funds brought forward		155,140	282,026	(2,541,000)	13,415,268	11,311,434	6,426,567
Total funds carried forward		266,590	140,424	(4,123,000)	13,343,919	9,627,933	11,311,434

The notes on pages 28 to 51 form part of these financial statements.

Rosewood School Limited

Balance Sheet as at 31 August 2020

Company Number 07667999

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		13,343,919		13,415,268
Current assets					
Stock	13	9,027		-	
Debtors	14	526,888		1,051,067	
Investments	15	50,000		50,000	
Cash at bank and in hand		<u>1,242,543</u>		<u>698,850</u>	
		1,828,458		1,799,917	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(1,421,444)</u>		<u>(1,340,657)</u>	
Net current assets			<u>407,014</u>		<u>459,260</u>
Total assets less current liabilities			13,750,933		13,874,528
Creditors:					
Amounts falling due after more than one year	17		<u>-</u>		<u>(22,094)</u>
Net assets excluding pension liability			13,750,933		13,852,434
Defined benefit pension scheme liability	27		(4,123,000)		(2,541,000)
Total net assets			<u>9,627,933</u>		<u>11,311,434</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	13,343,919		13,415,268	
Restricted income fund	18	140,424		282,026	
Pension reserve	18	<u>(4,123,000)</u>		<u>(2,541,000)</u>	
Total restricted funds			9,361,343		11,156,294
Unrestricted income funds	18		266,590		155,140
Total funds			<u>9,627,933</u>		<u>11,311,434</u>

The financial statements on pages 25 to 51 were approved by the trustees and authorised for issue on 10 December 2020 and are signed on their behalf by:

A S Boyle

A S Boyle (Dec 10, 2020 16:48 GMT)

A Boyle
Trustee

The notes on pages 28 to 51 form part of these financial statements.

Rosewood School Limited

Statement of Cash Flows for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	797,920	(24,132)
Cash flows from investing activities	23	(254,227)	(85,835)
Change in cash and cash equivalents in the reporting period		<u>543,693</u>	<u>(109,967)</u>
Cash and cash equivalents at 1 September 2019		698,850	808,817
Cash and cash equivalents at 31 August 2020	24	<u>1,242,543</u>	<u>698,850</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

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 2019 to 2020 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 2020

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'.

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.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

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.

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

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.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

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 14. 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. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

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.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 2020

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 2020

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 27.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	17,066	17,066	44,277
Other donations	50,683	350	51,033	17,034
	<u>50,683</u>	<u>17,416</u>	<u>68,099</u>	<u>61,311</u>
Total 2019	<u>17,034</u>	<u>44,277</u>	<u>61,311</u>	

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	3,047,662	3,047,662	2,840,657
Pupil Premium	-	97,342	97,342	93,604
Other DfE Group grants	-	266,882	266,882	61,198
	-	3,411,886	3,411,886	2,995,459
Other government grants				
Local authority grants	-	3,090,437	3,090,437	2,815,253
Other income from the academy trust's educational operations				
Other income	-	84,459	84,459	160,153
	-	6,586,782	6,586,782	5,970,865
Total 2019	-	5,970,865	5,970,865	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	5,262	-	5,262	11,211
Uniform income	2,711	-	2,711	5,117
Catering income	-	21,000	21,000	25,136
Consultancy income	900	-	900	5,911
Other trading income	49,342	-	49,342	25,733
	58,215	21,000	79,215	73,108
Total 2019	47,972	25,136	73,108	

5 Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	2,552	-	2,552	2,206
Total 2019	2,206	-	2,206	

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019/20 £	Total 2018/19 £
		Premises £	Other £		
Expenditure on raising funds	-	-	67,693	67,693	82,222
Academy's educational operations:					
Direct costs	4,982,491	-	523,530	5,506,021	5,154,231
Allocated support costs	1,302,761	411,161	203,513	1,917,435	1,590,170
	<u>6,285,252</u>	<u>411,161</u>	<u>794,736</u>	<u>7,491,149</u>	<u>6,826,623</u>
Total 2019	<u>5,500,599</u>	<u>385,242</u>	<u>940,782</u>	<u>6,826,623</u>	

Net income/(expenditure) for the period includes:

	2019/20 £	2018/19 £
Operating lease rentals	3,467	3,548
Depreciation	325,576	380,926
Fees payable to auditor for:		
Audit	8,060	9,500
Other services	<u>5,586</u>	<u>1,450</u>

7 Charitable activities

	2019/20 Total £	2018/19 Total £
Direct costs	5,506,021	5,154,231
Support costs	<u>1,917,435</u>	<u>1,590,170</u>
	<u>7,423,456</u>	<u>6,744,401</u>

Analysis of support costs:

	Educational operations £	2019/20 Total £	2018/19 Total £
Support staff costs	1,302,761	1,302,761	987,810
Technology costs	25,126	25,126	23,882
Premises costs	411,161	411,161	385,242
Other support costs	163,641	163,641	182,286
Governance costs	14,746	14,746	10,950
Total support costs	<u>1,917,435</u>	<u>1,917,435</u>	<u>1,590,170</u>
Total 2019	<u>1,590,170</u>	<u>1,590,170</u>	

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

8 Staff

a) Staff costs

Staff costs during the period were:

	2019/20	2018/19
	£	£
Wages and salaries	4,311,944	4,082,325
Social security costs	359,333	324,020
Pension costs	1,505,013	1,011,766
	<u>6,176,290</u>	<u>5,418,111</u>
Agency staff costs	108,962	82,488
	<u>6,285,252</u>	<u>5,500,599</u>

b) Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	47	44
Administration and support	176	141
Management	8	6
	<u>231</u>	<u>191</u>

c) Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	2	2
£80,001 - £90,000	-	1
£90,001 - £100,000	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 £693,297 (2019: £623,540).

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

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:

		2019/20	2018/19
		£000	£000
Zoé Evans	Remuneration	75-80	75-80
(CEO and Accounting Officer)	Employer's pension contributions paid	15-20	10-15
Andy Evans	Remuneration	90-95	85-90
(Head Teacher)	Employer's pension contributions paid	10-15	10-15

During the period ended 31 August 2020, no trustees received any reimbursement of expenses (2019: none).

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:

	2019/20	2018/19
	£	£
Great Oaks School	70,574	69,426
	<u>70,574</u>	<u>69,426</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2019	14,164,898	287,943	92,001	115,420	14,660,262
Acquisitions	166,635	60,192	27,400	-	254,227
At 31 August 2020	<u>14,331,533</u>	<u>348,135</u>	<u>119,401</u>	<u>115,420</u>	<u>14,914,489</u>
Depreciation					
At 1 September 2019	902,897	205,927	66,123	70,047	1,244,994
Charged in year	254,402	35,995	17,877	17,302	325,576
At 31 August 2020	<u>1,157,299</u>	<u>241,922</u>	<u>84,000</u>	<u>87,349</u>	<u>1,570,570</u>
Net book values					
At 31 August 2019	13,262,001	82,016	25,878	45,373	13,415,268
At 31 August 2020	<u>13,174,234</u>	<u>106,213</u>	<u>35,401</u>	<u>28,071</u>	<u>13,343,919</u>

13 Stock

	2019/20 £	2018/19 £
Other stocks	<u>9,027</u>	-

14 Debtors

	2019/20 £	2018/19 £
Trade debtors	289,299	834,263
VAT recoverable	34,297	45,491
Other debtors	26,074	26,074
Prepayments and accrued income	177,218	145,239
	<u>526,888</u>	<u>1,051,067</u>

15 Current asset investments

	2019/20 £	2018/19 £
Bank deposits	<u>50,000</u>	<u>50,000</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

16 Creditors: amounts falling due within one year

	2019/20	2018/19
	£	£
Trade creditors	73,731	101,748
Other taxation and social security	84,310	74,763
Other creditors falling due within one year	145,150	113,808
Accruals and deferred income	1,118,253	1,050,338
	<u>1,421,444</u>	<u>1,340,657</u>

	2019/20	2018/19
	£	£
Deferred income at 1 September 2019	1,014,287	360,506
Released from previous years	(1,014,287)	(360,506)
Resources deferred in the year	1,031,341	1,014,287
Deferred income at 31 August 2020	<u>1,031,341</u>	<u>1,014,287</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.

17 Creditors: amounts falling due in greater than one year

	2019/20	2018/19
	£	£
Other creditors falling due in greater than one year	<u>-</u>	<u>22,094</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	282,026	3,047,662	(2,952,103)	(237,161)	-	140,424
Pupil Premium	-	97,342	(97,342)	-	-	-
Other DfE/ESFA grants	-	266,882	(266,882)	-	-	-
Other government grants	-	3,090,437	(3,090,437)	-	-	-
Other educational activities	-	105,809	(105,809)	-	-	-
	<u>282,026</u>	<u>6,608,132</u>	<u>(6,512,573)</u>	<u>(237,161)</u>	<u>-</u>	<u>140,424</u>
Pension reserve	(2,541,000)	-	(653,000)	-	(929,000)	(4,123,000)
	<u>(2,258,974)</u>	<u>6,608,132</u>	<u>(7,165,573)</u>	<u>(237,161)</u>	<u>(929,000)</u>	<u>(3,982,576)</u>
Restricted fixed asset funds						
Fixed asset fund	13,415,268	-	(325,576)	254,227	-	13,343,919
ESFA capital grants (DFC)	-	17,066	-	(17,066)	-	-
	<u>13,415,268</u>	<u>17,066</u>	<u>(325,576)</u>	<u>237,161</u>	<u>-</u>	<u>13,343,919</u>
Total restricted funds	<u>11,156,294</u>	<u>6,625,198</u>	<u>(7,491,149)</u>	<u>-</u>	<u>(929,000)</u>	<u>9,361,343</u>
Total unrestricted funds	<u>155,140</u>	<u>111,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,590</u>
Total funds	<u>11,311,434</u>	<u>6,736,648</u>	<u>(7,491,149)</u>	<u>-</u>	<u>(929,000)</u>	<u>9,627,933</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

18 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-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.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

18 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2019/20	2018/19
	£	£
Rosewood School	415,249	501,222
Great Oaks School	(8,235)	(64,056)
Total before fixed assets and pension reserve	407,014	437,166
Restricted fixed asset fund	13,343,919	13,415,268
Pension reserve	(4,123,000)	(2,541,000)
Total	9,627,933	11,311,434

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 deficit has been reduced in each subsequent year and the academy trust has set a budget for the forthcoming financial year which returns the academy to surplus.

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) £	2019/20 Total £	2018/19 Total £
Rosewood School	1,537,580	398,483	51,702	197,087	2,184,852	2,175,102
Great Oaks School	3,444,911	904,278	146,252	485,280	4,980,721	4,270,595
	4,982,491	1,302,761	197,954	682,367	7,165,573	6,445,697

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

18 Funds (continued)

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

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

19 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	13,343,919	13,343,919
Current assets	266,590	1,561,868	-	-	1,828,458
Current liabilities	-	(1,421,444)	-	-	(1,421,444)
Pension scheme liability	-	-	(4,123,000)	-	(4,123,000)
Total net assets	266,590	140,424	(4,123,000)	13,343,919	9,627,933

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	-	-	-	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)
Total net assets	155,140	282,026	(2,541,000)	13,415,268	11,311,434

20 Capital commitments

	2019/20	2018/19
	£	£
Contracted for, but not provided in the financial statements	-	125,827

21 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019/20	2018/19
	£	£
Amounts due within one year	3,660	2,232
Amounts due between one and five years	7,295	1,121
	10,955	3,353

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

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

	2019/20	2018/19
	£	£
Net (expenditure) / income for the reporting period	(754,501)	5,620,867
Adjusted for:		
Depreciation	325,576	380,926
Defined benefit pension scheme cost less contributions payable	609,000	454,000
Defined benefit pension scheme finance cost	44,000	31,000
Transfer from local authority on conversion	-	(6,340,000)
(Increase) / decrease in stocks	(9,027)	-
Decrease / (increase) in debtors	524,179	(722,000)
Increase in creditors	58,693	551,075
Net cash provided by / (used in) Operating Activities	<u>797,920</u>	<u>(24,132)</u>

23 Cash flows from investing activities

	2019/20	2018/19
	£	£
Purchase of tangible fixed assets	(254,227)	(85,835)
Net cash used in investing activities	<u>(254,227)</u>	<u>(85,835)</u>

24 Analysis of cash and cash equivalents

	2019/20	2018/19
	£	£
Cash at bank and in hand	<u>1,242,543</u>	<u>698,850</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

25 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2020 £
Cash	698,850	543,693	-	-	-	1,242,543
Total	698,850	543,693	-	-	-	1,242,543

26 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 2020

27 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £100,254 were payable to the schemes at 31 August 2020 (2019: £73,936) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £458,013 (2019: £224,319).

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.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

27 Pension and similar obligations (continued)

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 2020 was as follows:

	2020	2019
	£	£
Employer's contributions	469,000	435,000
Employees' contributions	130,000	133,000
	<u>599,000</u>	<u>568,000</u>

The agreed contribution rates for future years are 18.9% 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.

Principal actuarial assumptions

	2020	2019
Rate of increase in salaries	3.3%	3.6%
Rate of increase for pensions in payment/inflation	2.3%	2.1%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	<u>2.3%</u>	<u>2.1%</u>

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

	2020	2019
Retiring today		
Males	23.0	23.1
Females	<u>25.5</u>	<u>25.8</u>
Retiring in 20 years		
Males	24.7	24.7
Females	<u>27.2</u>	<u>27.6</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

27 Pension and similar obligations (continued)

Sensitivity analysis	Increase/(reduction) in defined benefit obligation	
	2020	2019
	£	£
Discount rate +0.1%	(236,000)	(134,000)
Discount rate -0.1%	236,000	137,000
Mortality assumption – 1 year increase	295,000	209,000
Mortality assumption – 1 year decrease	<u>(295,000)</u>	<u>(207,000)</u>

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

	2020	2019
	£	£
Equities	2,440,000	2,195,000
Property	258,000	263,000
Government bonds	835,000	751,000
Cash	69,000	69,000
Other	<u>702,000</u>	<u>368,000</u>
Total market value of assets	<u>4,304,000</u>	<u>3,646,000</u>

The actual return on scheme assets was £229,000 (2019: £191,000).

Amount recognised in the Statement of Financial Activities

	2019/20	2018/19
	£	£
Current service cost	1,078,000	570,000
Past service cost	-	319,000
Interest income	(73,000)	(90,000)
Interest cost	<u>117,000</u>	<u>121,000</u>
Total amount recognised in the SOFA	<u>1,122,000</u>	<u>920,000</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

27 Pension and similar obligations (continued)

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

	2019/20	2018/19
	£	£
At 1 September	6,187,000	4,280,000
Current service cost	1,078,000	570,000
Interest cost	117,000	121,000
Employee contributions	130,000	133,000
Actuarial loss	1,085,000	837,000
Benefits paid	(170,000)	(73,000)
Past service cost	-	319,000
At 31 August	<u>8,427,000</u>	<u>6,187,000</u>

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

	2019/20	2018/19
	£	£
At 1 September	3,646,000	2,960,000
Interest income	73,000	90,000
Actuarial gain	156,000	101,000
Employer contributions	469,000	435,000
Employee contributions	130,000	133,000
Benefits paid	(170,000)	(73,000)
At 31 August	<u>4,304,000</u>	<u>3,646,000</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

28 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:

The Rose Road Association – a charitable company in which Z Evans (Accounting Officer) is a trustee:

- The academy trust purchased services from The Rose Road Association totalling £13,667 during the period. £8,398 was outstanding at 31 August 2020.
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Z Evans neither participated in, nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided 'at no more than cost' and The Rose Road Association has provided a statement of assurance confirming this.

Income Related Party Transactions:

The Rose Road Association – a charitable company in which Z Evans (Accounting Officer) is a trustee:

- The academy trust made sales to The Rose Road Association totalling £7,119 during the period. £206 was outstanding at 31 August 2020.