

Registered number: 07667999 (England & Wales)

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 21
Independent auditors' assurance report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 47

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Robert Burton
Laurence Clark (resigned 26 March 2016)
Iley Clements
Ann Dyton
Zoé Evans
Martin Gille
Colleen Grice
Trevor Johnson
Elizabeth McCaughey

Trustees

Robert Burton, Parent Trustee (appointed 25 January 2016)
Laurence Clark (resigned 26 March 2016)¹
Iley Clements, Co-opted Trustee
Ann Dyton, Co-opted Trustee; Chair
Zoé Evans, Head Teacher and Accounting Officer (appointed 21 September 2015)¹
Martin Gillie, Co-opted Trustee¹
Colleen Grice, Parent Trustee
Trevor Johnson, Co-opted Trustee¹
Georgina Knight, Staff Trustee (appointed 26 September 2016)
Elizabeth McCaughey, Co-opted Trustee
Victoria Morgan, Staff Trustee
Michael Roberts, Staff Trustee (appointed 21 September 2015, resigned 31 May 2016)
Nicholas Vaughan, Associate Trustee (appointed 10 November 2015)

¹ Members of the Finance Committee

Company registered number

07667999

Company name

Rosewood School Limited

Principal and registered office

Aldermoor Road
Southampton
Hampshire
SO16 5NA

Company secretary

Peter Loughborough

Senior management team

Zoe Evans, Head Teacher
Jo Allen, Deputy Head Teacher

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors

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

Bankers

National Westminster Bank Plc
43-49 London Road
Southampton
Hampshire
SO15 2DP

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

Lloyds Bank Plc
77 Shirley High Street
Shirley
Southampton
Hampshire
SO15 3TX

Solicitors

Paris Smith
1 London Road
Southampton
Hampshire
SO15 2AE

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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

Structure, governance and management

Constitution

The Academy is a charitable 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 purpose of company law.

The charitable company is known as Rosewood Free School.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

Members' Liability

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

Trustees' Indemnities

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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Method of Recruitment and Appointment or Election of Trustees

Parent Trustees

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

Staff Trustees

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

Community Trustees

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

Co-opted Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 Headteacher. 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 Headteacher 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 Headteacher and other staff in order to ensure that adequate financial controls are in place and operate in conjunction with the school's Finance Manual.
- Formally approve the annual school budget at least two months prior to the start of each financial year.
- Consider budgetary reports from the Finance Committee at every meeting.
- Receive the reports of the external auditor.
- Receive the reports of the Accounting Officer on the use of resources, systems of internal financial control and discharge of financial responsibilities.
- Approval of the School Improvement Plan.
- 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 school will have adequate funds to meet its obligations in the year ahead; and
- Review the reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the board of trustees.

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).

Risk Management

The Trustees have reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the school's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Connected Organisations and Related Party Relationships

- Rosewood Free School is a member of the "Southampton Inclusion Partnership" and the head teacher serves on the board; the school is also a partner of the Wildern Teaching Schools Alliance (ECT Alliance).
- Rosewood Free School has a number of partner schools in the South of England and across the country who are using our bespoke curriculum and assessment tool "ImPACTS", working closely to provide professional development, quality benchmarking and shared expertise.
- Rosewood Free School is a member of NASS (National Association of Independent and Non-maintained special schools).
- Rosewood Free School has specialist school status for Sensory and Physical Learning.

Objectives and Activities

Beliefs and Aims of Rosewood Free School

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

Objects and Aims

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities

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

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

Strategies to support development include:

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

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

Public Benefit

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

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

Key Findings

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

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

2015/16 Key Findings – Pupil Achievement

New Entrants in the Early Years department continue to make the most rapid progress from Baseline Assessment to first Annual Review. It is our professional opinion, supported by theory and research that key to the development of learners with PMLD at the earliest levels of pre-Intentional development is a highly responsive environment with trained and responsive staff who expect the learner to communicate and learn.

New Entrants at Post-16 with PMLD do not make the same rapid progress and quite often the P Levels are reduced, following a reassessment using ImPACTS, from the levels given in the feeder school. We need to look at the first data as a baseline and look at expected progress from this for Post-16 learners.

Previous learning cycles of progress demonstrated e.g. an above 10% improvement followed by two years consolidation, remains as a regular pattern for most of the school. However, following a period of moderation and challenge we can now demonstrate that learners up until year 3 appear to make more consistent 10% and above progress prior to then returning to a consolidation and acquisition cycle. This will continue to be monitored and wider evidence and research reviewed. Research on the development of Intentionality both in Communication, Cognitive skills and controlling the environment show that these skills impact all other areas of development. That stage is represented through Key Stage 1 as learners move from Pre Intentional to emerging Intentional learners. The majority of these learners are also at P2i and its sub-levels, evidence shows that the majority of learners with PMLD are assessed as P2ii and its sublevels. The developmental difference between these is greatest when analysed in details of learning that needs to occur and this also explains the longer cycles required for those pupils P2ii and beyond. The research from Great Ormond Street hospital looked at the developmental levels described in the P Levels and aligned them to developmental milestones linked to ages and stages. This work shows the steps of developmental and that they are uneven between P Levels.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

2015/16 Key Findings – Pupil Achievement (continued)

We would still look at setting expectations for all learners from Year 4 through post-16 as part of a 3 year cycle. With a peak of above 10% and two years of consolidation.

The definitions of progress linked to ipsative (the practice of assessing present performance against the prior performance of the person being assessed) learning are:

<2% - a concerning rate that would indicate learner is not progressing a full multi-disciplinary review is required

<6% - consolidation of existing learning

7-10% - indicates the emergence of a new skill

>10% - new skills in more than one Key Skill area

> 20% - key developmental milestone/golden moment achieved; would be reviewed to ensure continued challenge and accuracy of target setting

>40% - usually achieved post a baseline score of a new learner.

Periods of above >10% appear less likely in Post-16 as the move is towards application of existing learning and the introduction of broader learning processes.

There is no difference in achievement between learners according to their gender, ethnicity or socio-economic background.

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

Extra-Curricular Activities

The school has a strong and varied enrichment programme to support and develop individual students. These include opportunities to experience different environments and cultures through drama, multimedia and sensory stimulation. Opportunities for the children to experience live music and performance are regularly planned and the school has developed links with the Mayflower Theatre.

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

The school has launched an "After School Provision", currently catering for older students and is looking to further extend after school provision.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators

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

Staff turnover

This is monitored at every change of personnel by the Finance Committee and at exit interviews. Turnover is low at 7% for teaching staff and permanent support staff.

Income streams

EFA (Education Funding Agency) grants and Local Authority funding, alongside any other dedicated sources of income are monitored termly by the board of trustees. The school prepares yearly budgets and rolling forecasts. The school aimed to achieve a surplus before actuarial gains and losses and has achieved this for the year to 31 August 2016.

Number of students

The Headteacher leads the school's marketing strategy. We currently have 47 pupils on roll: that is expected to rise to 52 by the end of the academic year with new nursery pupils joining us. The school also has 8 additional Post 19 -25 students on a DFE approved "Creative Package" piloting the director's plans to set up an additional provision for 19-25 year olds.

Achievement and Attainment

The Headteacher leads the school's rigorous monitoring and evaluation programme to ensure that standards remain outstanding. The school has a good reputation both locally, nationally and internationally. Maintaining outstanding outcomes is essential for the school's success in attracting students and external relationships.

Going Concern

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

Financial review

The school is in a satisfactory financial position.

The actuarial report on the Local Government Pension scheme (LGPS) identifies a funding deficit under FRS102 and the school's proportion of this funding deficit is shown on the balance sheet. Part of this deficit relates to service by staff for employment prior to joining the school, known as a past service deficit. The Trustees are aware that this is an ongoing liability and not a debt that is due and payable upon demand. A "past service" element will be included in monthly employer contributions following the next Fund Valuation in 2016. The "past service" element of contributions is part of a 25 year recovery plan which was put in place following the 2010 Fund Valuation. In the opinion of the Trustees the current level of funding by the school is sufficient to meet known future pension contributions. This funding level is reviewed on a triennial basis.

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

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Reserves Policy

The Trustees will allocate a proportion of any surplus generated during the year to a contingency reserve. The purpose of the contingency reserve is to enable the school to meet any unexpected change in funding levels or unexpected costs that need to be incurred for educational purposes. The Trustees have agreed a target level of reserves of £75,000.

The reserves as at 31 August 2016 were as follows:

- Unrestricted (free) reserves of £118,204
- A restricted fixed asset fund of £4,644,867, which can only be realised through disposal of fixed assets
- A pension deficit of £402,000
- Other restricted funds of £229,609
- Total funds of £4,590,680

There is a £402,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties

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

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

Key areas include:

Government Funding:

The school has considerable reliance on continued Government and Local Authority funding through the education sector funding bodies. There can be no assurance that Government policy or practice will remain consistent and that funding will continue at these levels. Funding is linked most consistently to student numbers and level of need. The risk is mitigated by:

- Ensuring the school is rigorous in delivering high quality Attainment and Achievement – the school's outcomes are rated outstanding by OFSTED and strong monitoring and evaluation systems are in place to maintain these standards. These outcomes mitigate the risk of reduction of student numbers.
- Maintaining strong recruitment strategies and a quality curriculum offer to attract and maintain student numbers, with the aim of an overall student body of approximately 60 students.

Reputational Risk

Strong systems for Safeguarding, and Acceptable Use of information technology are in place to allay these risks.

Health and Safety

Strong policies and procedures including risk assessment processes and appropriate training are in place to allay these risks.

Premises

Appropriate insurances are in place to support the school against damage or theft to property.

Pupil Numbers

Complex health needs of pupils with life limiting conditions often lead to pupil deaths - this is a risk to the school that cannot be mitigated.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

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

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

The school is improving provision for students aged 19-25 within Southampton and southern Hampshire by undertaking a pilot in conjunction with Southampton City College (SCC). Started in September 2015, six SCC students were based at Rosewood Free School, which increased to 8 in September 2016. The intention is for the school to submit an application to the DfE to become a "Free College" in September 2018.

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

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by order of the board of trustees as the company directors, on 5 December 2016 and signed on its behalf by:

.....*A.V. Dyton*.....
Ann Dyton
Chair of Trustees

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

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, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rosewood School Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Full board of trustees meetings 15/16

Trustee	Meetings attended	Out of a possible
Rob Burton	4	4
Laurence Clark	3	4
Iley Clements	4	6
Ann Dyton (Chair)	4	6
Zoé Evans (Headteacher and Accounting Officer)	6	6
Martin Gillie	4	6
Colleen Grice (Parent Trustee)	3	6
Trevor Johnson	5	6
Elizabeth McCaughey	5	6
Victoria Morgan (staff trustee)	2	6
Mike Roberts (staff trustee)	2	4

Governance Review:

The Trustees (and the management of the school) had two significant changes to manage this year:

- The retirement of the Head teacher. Following a rigorous interview process the Deputy Head teacher was promoted to the headship from the 1/9/2016. Due to the timing of the resignation the school operated without a Deputy until January 2016.
- Having managed the move of financial responsibilities to the school, the Bursar took a promoted post in another institution and the Governors decided to extend the role and support the management of the administration of the school by the appointment of a Business Manager with effect from 1/9/2016.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governance (continued)

Finance committee meetings

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

- 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 school will have adequate funds to meet its obligations in the year ahead; and
- Review the reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Laurence Clark	2	4
Zoé Evans (Headteacher and Accounting Officer)	6	6
Martin Gillie	6	6
Trevor Johnson	4	6
Nick Vaughan (Associate Trustee)	2	5

Review of Value for Money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year as follows:

At the most recent full Ofsted inspection in July 2014 the inspector gave the school an outstanding status in all areas. This status was achieved as a result of the leadership shown by the school in setting new standards for education of PMLD children and is a tribute to the way in which all of the staff without exception 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.

Of particular note was the establishment of the extended 16-19 year old facility as planned within the submission to the EFA for investment funds and the fact that after two years it was given an outstanding judgement in its own right.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money (continued)

Evidence of the success of the ImPACTS assessment and curriculum designed by the school can be seen not only in the carefully measured progression of each child, but in the extent to which it continues to be in demand by other schools both in the UK and abroad. The benefits of extending the system to other schools are multiple both in terms of the ability to generate accurate and comprehensive comparable data that demonstrates how valuable the system is in this specialist sector of education, but also in bringing in a wider network of supportive schools who can make suggestions for further refinement and improvement. Rosewood school constantly seeks to improve its performance and the more users of the system there are the better the feedback and development will be at minimal cost and a greater rate of improvement.

The school's move to in-house control of all aspects of Finance and Human Resources has ensured value for money and standards of monitoring and reviewing have been improved.

As a developing and expanding school the staff structure is continuously under review. Staff are deployed effectively to meet the complex needs of each pupil. Rigorous training ensures that staff are skilled and highly effective in supporting the learning across the school. Both standards and expectations are high.

Internal controls maximise the use of assets. Risks are regularly reviewed by the senior leadership team and by the governors.

The school development plan clearly identifies the priorities for the budget allocation. This is planned by the senior leadership team and agreed by the Board of Governors. The finance committee meet regularly to monitor and scrutinise all accounts.

The Governing Body have undergone a review of the structures and committees and a more rigorous structure of reporting from committees to the full governing body has been established.

The Governors meetings are effectively minuted and challenge to the Senior Leadership and decisions made are explicitly recorded.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 year 1 September 2015 to 31 August 2016 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has delegated this function to the Finance Committee. The structure and format of internal audits is currently being developed.

Review of Effectiveness

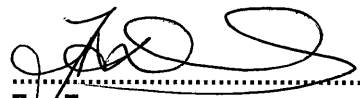
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the Business Manager;
- The work of the internal audit functions 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 5 December 2016 and signed on their behalf, by:


.....
Ann Dyton
Chair of Trustees


.....
Zoe Evans
Accounting Officer

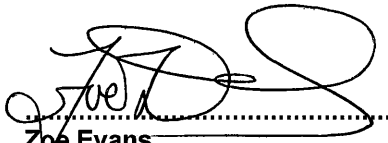
ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT ON 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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Zoe Evans
Accounting Officer

Date: 5 December 2016

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the Trustees to prepare 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2016 and signed on its behalf by:

.....*A. V. Dyton*.....
Ann Dyton
Chair of Trustees

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ROSEWOOD SCHOOL LIMITED**

We have audited the financial statements of Rosewood School Limited for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ROSEWOOD SCHOOL LIMITED**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Hopper Williams & Bell Limited

David Brookes FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: *14 December 2016*

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ROSEWOOD SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rosewood School Limited during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Rosewood School Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rosewood School Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rosewood School Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ROSEWOOD SCHOOL LIMITED'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Rosewood School Limited's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

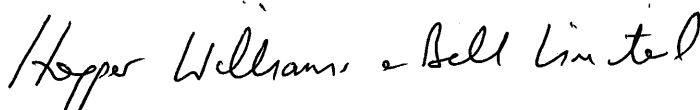
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

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

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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Brookes FCA (Senior statutory auditor)

for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: 14 December 2016

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	35,956	-	5,374	41,330	8,292
Charitable activities	3	-	1,698,877	-	1,698,877	1,550,874
Other trading activities	4	26,618	7,180	-	33,798	22,967
Investments	5	973	-	-	973	428
TOTAL INCOME		63,547	1,706,057	5,374	1,774,978	1,582,561
EXPENDITURE ON:						
Raising funds		-	-	-	-	9,526
Charitable activities		-	1,621,601	156,388	1,777,989	1,681,184
TOTAL EXPENDITURE	6	-	1,621,601	156,388	1,777,989	1,690,710
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	63,547	84,456 (72,437)	(151,014) 72,437	(3,011) -	(108,149) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		63,547	12,019	(78,577)	(3,011)	(108,149)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(207,000)	-	(207,000)	12,000
NET MOVEMENT IN FUNDS		63,547	(194,981)	(78,577)	(210,011)	(96,149)
RECONCILIATION OF FUNDS:						
Total funds brought forward		54,657	22,590	4,723,444	4,800,691	4,896,840
TOTAL FUNDS CARRIED FORWARD		118,204	(172,391)	4,644,867	4,590,680	4,800,691

The notes on pages 27 to 47 form part of these financial statements.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07667999

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		4,644,867		4,723,444
CURRENT ASSETS					
Debtors	13	49,981		30,391	
Investments	14	20,000		-	
Cash at bank and in hand		375,338		290,275	
		<u>445,319</u>		<u>320,666</u>	
CREDITORS: amounts falling due within one year	15	<u>(97,506)</u>		<u>(105,419)</u>	
NET CURRENT ASSETS			<u>347,813</u>		<u>215,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		<u>(402,000)</u>		<u>(138,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>4,590,680</u></u>		<u><u>4,800,691</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	229,609		160,590	
Restricted fixed asset funds	16	4,644,867		4,723,444	
Restricted income funds excluding pension liability		<u>4,874,476</u>		<u>4,884,034</u>	
Pension reserve		<u>(402,000)</u>		<u>(138,000)</u>	
Total restricted income funds			<u>4,472,476</u>		<u>4,746,034</u>
Unrestricted income funds	16		<u>118,204</u>		<u>54,657</u>
TOTAL FUNDS			<u><u>4,590,680</u></u>		<u><u>4,800,691</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:



Ann Dyton
Chair of Trustees

The notes on pages 27 to 47 form part of these financial statements.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>182,874</u>	<u>203,079</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(77,811)</u>	<u>(51,259)</u>
Net cash used in investing activities		<u>(77,811)</u>	<u>(51,259)</u>
Cash flows from financing activities:			
Purchase of current asset investments		<u>(20,000)</u>	<u>-</u>
Net cash used in financing activities		<u>(20,000)</u>	<u>-</u>
Change in cash and cash equivalents in the year		85,063	151,820
Cash and cash equivalents brought forward		<u>290,275</u>	<u>138,455</u>
Cash and cash equivalents carried forward	19	<u><u>375,338</u></u>	<u><u>290,275</u></u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Rosewood School Limited constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Rosewood School Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Rosewood School Limited for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.4 Expenditure

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

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

Charitable activities and Governance costs are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 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 Academy 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..

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	7 to 50 years straight line
Motor vehicles	-	8 years straight line
Fixtures and fittings	-	5 years straight line
Office equipment	-	3 to 5 years straight line
Positional equipment	-	5 years straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

1.13 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

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 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. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 incorporating income and expenditure account 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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 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, which are disclosed in note 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Critical areas of judgement:

There are no other critical areas of judgement.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	35,956	-	-	35,956	8,292
Capital grants	-	-	5,374	5,374	-
	<u>35,956</u>	<u>-</u>	<u>5,374</u>	<u>41,330</u>	<u>8,292</u>

In 2015, of the total income from donations and capital grants, £6,401 was to unrestricted funds and £1,891 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	694,882	694,882	708,111
DfE/EFA other grants	-	13,858	13,858	17,195
	<u>-</u>	<u>708,740</u>	<u>708,740</u>	<u>725,306</u>
Other government grants				
Local authority grants	-	990,137	990,137	825,568
	<u>-</u>	<u>990,137</u>	<u>990,137</u>	<u>825,568</u>
	<u>-</u>	<u>1,698,877</u>	<u>1,698,877</u>	<u>1,550,874</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,550,874 was to restricted funds.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
School uniforms	777	-	777	386
Sales of services and goods	17,568	-	17,568	14,435
Catering income	-	7,180	7,180	5,380
Other income	8,273	-	8,273	2,766
	<u>26,618</u>	<u>7,180</u>	<u>33,798</u>	<u>22,967</u>

In 2015, of the total income from other trading activities, £22,967 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest	973	-	973	428
	<u>973</u>	<u>-</u>	<u>973</u>	<u>428</u>

In 2015, of the total investment income, £ 428 was to unrestricted funds and £ NIL was to restricted funds.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
	-	-	-	-	9,526
Academy's educational activities:					
Direct costs	1,060,789	-	158,984	1,219,773	1,144,554
Support costs	285,102	101,396	171,718	558,216	527,008
	<u>1,345,891</u>	<u>101,396</u>	<u>330,702</u>	<u>1,777,989</u>	<u>1,681,088</u>

In 2016, of the total expenditure, £NIL (2015 - £9,526) was to unrestricted funds and £1,777,989 (2015 - £1,671,562) was to restricted funds.

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Premises costs	101,396	101,396	135,993
Governance costs	11,229	11,229	9,622
Other costs	62,441	62,441	45,929
Wages and salaries	200,978	200,978	171,555
National insurance	7,998	7,998	5,850
Pension cost	76,126	76,126	64,501
Depreciation	98,048	98,048	103,180
	<u>558,216</u>	<u>558,216</u>	<u>536,630</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	156,388	154,770
Auditors' remuneration - audit	5,910	5,875
Auditors' remuneration - other services	1,260	3,497
Operating lease rentals	1,193	1,140
	<u>164,741</u>	<u>165,272</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	1,087,202	1,028,077
Social security costs	65,061	57,820
Operating costs of defined benefit pension schemes	193,628	167,734
	1,345,891	1,253,631

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

	2016	2015
	No.	No.
Teachers	10	9
Administrative and teaching support staff	56	54
Management	4	4
	70	67

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 employer's pension contributions for this member of staff amounted to £10,303 (2015: £10,211).

Included in staff costs is a non-statutory/non-contractual severance payment totalling £9,500 (2015: £nil).

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions received by key management personnel for their services to the academy trust was £117,060 (2015: £149,315).

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	<i>2015</i>
		£'000	<i>£'000</i>
Jennifer Boyd, Head Teacher and Accounting Officer	Remuneration	-	<i>70-75</i>
	Pension contributions paid	-	<i>10-15</i>
Zoe Evans, Head Teacher and Accounting Officer	Remuneration	60-65	-
	Pension contributions paid	10-15	-
Victoria Morgan	Remuneration	20-25	<i>15-20</i>
	Pension contributions paid	0-5	<i>0-5</i>
Caroline Robins	Remuneration	-	<i>35-40</i>
	Pension contributions paid	-	<i>5-10</i>

During the year, no Trustees received any reimbursement of expenses (2015 - £nil).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended 31 August 2016 was £832 (2015 - £763).

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office and computer equipment £	Positional equipment £	Total £
Cost						
At 1 September 2015	4,797,495	77,000	111,764	56,101	42,017	5,084,377
Additions	32,804	-	12,347	13,293	19,367	77,811
At 31 August 2016	<u>4,830,299</u>	<u>77,000</u>	<u>124,111</u>	<u>69,394</u>	<u>61,384</u>	<u>5,162,188</u>
Depreciation						
At 1 September 2015	227,155	15,751	64,846	32,825	20,356	360,933
Charge for the year	98,049	9,625	21,442	18,596	8,676	156,388
At 31 August 2016	<u>325,204</u>	<u>25,376</u>	<u>86,288</u>	<u>51,421</u>	<u>29,032</u>	<u>517,321</u>
Net book value						
At 31 August 2016	<u>4,505,095</u>	<u>51,624</u>	<u>37,823</u>	<u>17,973</u>	<u>32,352</u>	<u>4,644,867</u>
At 31 August 2015	<u>4,570,340</u>	<u>61,249</u>	<u>46,918</u>	<u>23,276</u>	<u>21,661</u>	<u>4,723,444</u>

Included in long-term leasehold property is land at valuation of £100,167 which is not depreciated.

13. DEBTORS

	2016 £	2015 £
Trade debtors	883	228
Other debtors	19,795	9,802
Prepayments and accrued income	29,303	20,361
	<u>49,981</u>	<u>30,391</u>

14. CURRENT ASSET INVESTMENTS

	2016 £	2015 £
Bank deposits with 120 day notice	<u>20,000</u>	<u>-</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	38,216	36,716
Other taxation and social security	18,061	15,559
Other creditors	19,061	33,380
Accruals and deferred income	22,168	19,764
	<u>97,506</u>	<u>105,419</u>
	<u>97,506</u>	<u>105,419</u>
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	7,081	-
Resources deferred during the year	1,785	7,081
Amounts released from previous years	(7,081)	-
	<u>1,785</u>	<u>7,081</u>
Deferred income at 31 August 2016	<u>1,785</u>	<u>7,081</u>
	<u>1,785</u>	<u>7,081</u>

Deferred income represents grant funding received in respect of the forthcoming financial year.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	54,657	63,547	-	(50,000)	-	68,204
Contingency fund	-	-	-	30,000	-	30,000
Strategic development fund	-	-	-	20,000	-	20,000
	<u>54,657</u>	<u>63,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,204</u>
Restricted funds						
General Annual Grant (GA)	160,590	694,882	(553,426)	(72,437)	-	229,609
Pupil premium	-	8,149	(8,149)	-	-	-
Other DfE/EFA grants	-	5,709	(5,709)	-	-	-
Local authority grants	-	990,137	(990,137)	-	-	-
Other income	-	7,180	(7,180)	-	-	-
Pension reserve	(138,000)	-	(57,000)	-	(207,000)	(402,000)
	<u>22,590</u>	<u>1,706,057</u>	<u>(1,621,601)</u>	<u>(72,437)</u>	<u>(207,000)</u>	<u>(172,391)</u>
Restricted fixed asset funds						
Restricted Fixed Asset fund	4,723,444	-	(156,388)	77,811	-	4,644,867
DFC grants	-	5,374	-	(5,374)	-	-
	<u>4,723,444</u>	<u>5,374</u>	<u>(156,388)</u>	<u>72,437</u>	<u>-</u>	<u>4,644,867</u>
Total restricted funds	<u>4,746,034</u>	<u>1,711,431</u>	<u>(1,777,989)</u>	<u>-</u>	<u>(207,000)</u>	<u>4,472,476</u>
Total of funds	<u><u>4,800,691</u></u>	<u><u>1,774,978</u></u>	<u><u>(1,777,989)</u></u>	<u><u>-</u></u>	<u><u>(207,000)</u></u>	<u><u>4,590,680</u></u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. STATEMENT OF 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 EFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre- and post-16 high needs funding streams.

Other DfE/EFA grants

This is funding received from the EFA 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 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/EFA capital grants

This is money received from the DfE/EFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	4,644,867	4,644,867	4,723,444
Current assets	118,204	327,115	-	445,319	320,666
Creditors due within one year	-	(97,506)	-	(97,506)	(105,419)
Pension reserve	-	(402,000)	-	(402,000)	(138,000)
	<u>118,204</u>	<u>(172,391)</u>	<u>4,644,867</u>	<u>4,590,680</u>	<u>4,800,691</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(3,011)	(108,149)
Adjustment for:		
Depreciation charges	156,388	154,770
(Increase)/decrease in debtors	(19,590)	63,362
(Decrease)/increase in creditors	(7,913)	50,096
Pension adjustment	57,000	43,000
Net cash provided by operating activities	<u>182,874</u>	<u>203,079</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	335	187
Notice deposits (less than 3 months)	375,003	290,088
Total	<u>375,338</u>	<u>290,275</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £17,632 were payable to the schemes at 31 August 2016 (2015 - £15,946) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £75,055 (2015 - £69,401).

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £92,000 (2015 - £74,000), of which employer's contributions totalled £66,000 (2015 - £53,000) and employees' contributions totalled £26,000 (2015 - £21,000). The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.80 %
Rate of increase in salaries	3.50 %	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %

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

	2016	2015
Retiring today		
Males	24.6	24.5
Females	26.4	26.3
Retiring in 20 years		
Males	26.7	26.6
Females	28.7	28.6

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

20. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	340,000	241,000
Property	44,000	34,000
Government bonds	158,000	108,000
Corporate bonds	11,000	7,000
Cash	31,000	14,000
Other	15,000	15,000
Total market value of assets	599,000	419,000

The actual return on scheme assets was £93,000 (2015 - £14,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	<i>2015 £</i>
Current service cost	(119,000)	(101,000)
Interest cost	(4,000)	(3,000)
Total	(123,000)	(104,000)

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

	2016 £	<i>2015 £</i>
Opening defined benefit obligation	557,000	416,000
Current service cost	119,000	101,000
Interest cost	22,000	16,000
Contributions by employees	26,000	21,000
Actuarial losses/(gains)	282,000	(19,000)
Benefits paid	(5,000)	22,000
Closing defined benefit obligation	1,001,000	557,000

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	419,000	317,000
Interest income	18,000	13,000
Actuarial gains and (losses)	75,000	(7,000)
Contributions by employer	66,000	53,000
Contributions by employees	26,000	21,000
Benefits paid	(5,000)	22,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>599,000</u>	<u>419,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	1,037	1,179
Between 1 and 5 years	1,893	636
	<hr/>	<hr/>
Total	<u>2,930</u>	<u>1,815</u>

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transaction took place in the year:

Great Oaks School - a school in which a close family member of Zoé Evans (Head Teacher and Accounting Officer) is the Head Teacher:

The trust sold computer equipment to Great Oaks School totalling £882 (2015: £nil) during the period. There were no amounts outstanding at 31 August 2016 (2015: £nil). The trust made the purchase at arms' length in accordance with its financial regulations, which Zoe Evans neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

24. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.