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**ROSEWOOD SCHOOL LIMITED**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Robert Burton  
Iley Clements  
Martin Gille  
Colleen Grice  
Elizabeth McCaughey

**Trustees**

Anthony Boyle (appointed 1 September 2016)  
Robert Burton, Parent Trustee<sup>1</sup>  
Iley Clements, Co-opted Trustee; Chair  
Ann Dyton, Co-opted Trustee; Chair (resigned 20 March 2017)  
Zoé Evans, Head Teacher and Accounting Officer<sup>1</sup>  
Martin Gillie, Co-opted Trustee<sup>1</sup>  
Colleen Grice, Parent Trustee  
Trevor Johnson, Co-opted Trustee (resigned 20 March 2017)  
Georgie Knight, Staff Trustee (appointed 26 September 2016)  
Nicola Le Prevost (appointed 20 March 2017)  
Elizabeth McCaughey, Co-opted Trustee  
Victoria Morgan, Staff Trustee  
Clair Smith (appointed 15 May 2017)  
Nicholas Vaughan, Associate Trustee<sup>1</sup>  
Susan Williams (appointed 1 September 2017)

<sup>1</sup> 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**

Clair Smith

**Senior management team**

Zoe Evans, Head Teacher  
Jo Allen, Deputy Head Teacher  
Luke Thorne, Assistant Head Teacher  
Niki Seel, Head of Early Years Department  
Felicia Jibson, Lead Teacher

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. 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 are included in the Reference and administrative details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

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

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

##### *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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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*Co-opted Trustees*

The Trustees may appoint up to three 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.

**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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

**Connected Organisations and Related Party Relationships**

- Rosewood Free School is a member of the "Southampton Inclusion Partnership" and the head teacher serves on the board.
- 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 has specialist school status for Sensory and Physical Learning.
- Rosewood Free School has undertaken to convert to a Multi-Academy trust from the 1 September 2017 with Great Oaks School joining Rosewood School Limited from this date.

**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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Objectives, Strategies and Activities**

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

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

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.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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## **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.

### **2016/17 Key Findings- Pupil Achievement**

- Vulnerable learners were more likely to not achieve expected rates of progress.
- We need to challenge our previous analysis: "There is no difference in achievement between learners according to their gender, ethnicity or socio-economic background." This will feature in our School Improvement Plan.
- Post 19 learners with PMLD are following the same expected rates of progress as the whole school.
- Learners with SLD make steadier progress and are not working in a three year cycle.

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- 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. The school has secured charitable funding to provide Music Therapy and this complement additional music enrichment opportunities funded through Youth Music and the SOCCO Project.

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.

**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*

ESFA (Education and Skills 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 2017.

*Number of students*

The Headteacher leads the school's marketing strategy. We currently have 56 pupils on roll; this is expected to rise to 58 by the end of the academic year with new nursery pupils joining us. The school also has 12 additional Post 19-25 students on a DfE-approved "Creative Package" piloting the Trustees' 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Financial review**

The school is in a satisfactory financial position.

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

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

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

**Reserves Policy**

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

The reserves as at 31 August 2017 were as follows:

- Unrestricted (free) reserves of £118,019
- A restricted fixed asset fund of £4,567,752, which can only be realised through disposal of fixed assets
- A pension deficit of £384,000
- Other restricted funds of £222,097
- Total funds of £4,514,331

There is a £384,000 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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.

The school has had a 1.5% reduction in Top Up funding from Southampton LA

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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 eight in September 2016. The intention is for the school to submit an application to the DfE to become a "Free College" in September 2019.

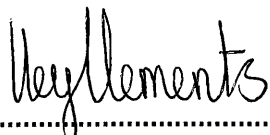
The school is relentless in the pursuit of excellence in education. The priority is to maintain the "Outstanding" judgment by continually seeking to improve teaching and learning across the school. This is achieved by active research, high level professional dialogue and the training and development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

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 22 November 2017 and signed on its behalf by:



.....  
**Iley Clements**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

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**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 seven times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Full board of trustees meetings 16/17

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Rob Burton	6	7
Iley Clements (Chair)	6	7
Ann Dyton (Chair) - resigned 20 March 2017	3	4
Zoé Evans (Headteacher and Accounting Officer)	7	7
Martin Gillie	5	7
Colleen Grice (Parent Trustee)	5	7
Trevor Johnson - resigned 20 March 2017	-	5
Georgie Knight (Staff Trustee)	6	7
Elizabeth McCaughey	7	7
Victoria Morgan (staff trustee)	4	7

Governance Review

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

1. The decision to convert to a Multi- Academy trust with the aim to collaborate with other special schools to enhance professional development opportunities and work towards centralised resources to ensure value for money.
2. The school made the decision to appoint School Business Support following the agreed termination of the Business Manager's contract. SBS are providing all the schools business and financial support and have advised the school on the formation of the MAT with Great Oaks. They will continue to act on behalf of the MAT until the completion of the recruitment process for a Director of Finance across the MAT.

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**GOVERNANCE STATEMENT (continued)**

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**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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Rob Burton	3	6
Zoé Evans (Headteacher and Accounting Officer)	6	6
Martin Gillie	6	6
Trevor Johnson - resigned 20 March 2017	-	4
Nick Vaughan (Associate Trustee)	4	6

**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 by:

1. At the most recent full Ofsted inspection 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.
2. The school has actively worked with Hampshire LA to secure additional finances for pupil's based on higher medical needs. This has supported the ongoing work with Solent and the Southampton CCG to look at establishing contracts for services to ensure the trustees can monitor the quality of the additional services purchased.
3. The establishment of the Post 19 provision has ensured that we continue to provide value for money and have maximised the use of public funds to ensure education, health and adult social services have seen overall cost savings to the services they would have had to provide if the provision was not available. The school worked with health to transform an additional bathroom and make alterations to a classroom and 50/50 funding was agreed to complete this.

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**GOVERNANCE STATEMENT (continued)**

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**Review of Value for Money (continued)**

4. The school has reviewed all budgeting and finance software and as part of the work establishing itself as a Multi-academy trust workforce review of administration tasks has begun. The development of the MAT is driven both by a vision for excellence in education and the provision of appropriate placements but also the opportunities the MAT affords the school to streamline and combine services and use the combined buying power of the schools to reduce overall costs.

5. During the year the school has had to manage the introduction of the living wage and has ensured that all staff who were eligible are now receiving this. A review of salaries for Learning Assistants salaries was undertaken to link performance and pay and to ensure that we still provide value but address recruitment and retention issues. Further alterations to the contract hours of support staff at lunchtime will be implemented next financial year.

6. New monitoring and rules for teacher spending have been introduced and a greater emphasis on whole school resources that can be shared has been embedded over the year. All staff have been made aware of the current financial situation locally and nationally in education and have adopted a more prudent attitude to spending. Authorisation of all spending is monitored by the senior leadership team.

7. We continue to benefit from the income we generate from ImpACTS and continue to offer training and have expanded the number of schools nationally updating the system. With advice we have established a business plan and will be implementing a subscription fee and charging scheme for updates.

8. The school has adopted the practice of offering fixed term contracts particularly with the pilot post 19 scheme not yet having a future plan that is costed with the LA. This policy will be continued to review and impact of recruitment and retention considered next financial year.

9. 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.

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

11. The finance committee is strongly led and meet regularly to monitor and scrutinise all accounts.

**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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.



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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**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**

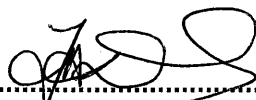
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the Business Manager and subsequently the work of SBS;
- 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 22 November 2017 and signed on their behalf, by:

  
.....  
**Iley Clements**  
**Chair of Trustees**

  
.....  
**Zoe Evans**  
**Accounting Officer**

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Rosewood School Limited I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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

  
.....  
**Zoe Evans**  
**Accounting Officer**

Date: 22 November 2017

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 22 November 2017 and signed on its behalf by:

  
.....  
**Iley Clements**  
**Chair of Trustees**

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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

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**OPINION**

We have audited the financial statements of Rosewood School Limited for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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

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**RESPONSIBILITIES OF TRUSTEES**

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

*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 2017*

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rosewood School Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rosewood School Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Rosewood School Limited's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ROSEWOOD SCHOOL LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**SUMMARY OF WORK UNDERTAKEN**

We carried out the following:

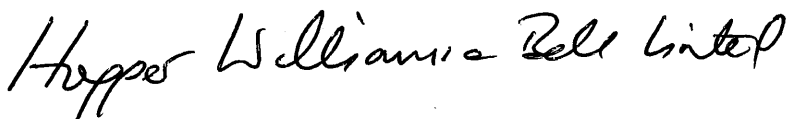
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

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 ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy'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 2016 to 31 August 2017 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

**Hopper Williams & Bell Limited**

Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

Date: 14 December 2017



**ROSEWOOD SCHOOL LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	18,312	7,809	5,326	31,447	41,330
Charitable activities	3	-	1,770,505	-	1,770,505	1,698,877
Other trading activities	4	14,018	7,069	-	21,087	33,798
Investments	5	1,597	-	-	1,597	973
<b>TOTAL INCOME</b>		<b>33,927</b>	<b>1,785,383</b>	<b>5,326</b>	<b>1,824,636</b>	<b>1,774,978</b>
<b>EXPENDITURE ON:</b>						
Raising funds		34,112	-	-	34,112	-
Charitable activities		-	1,831,450	154,423	1,985,873	1,777,989
<b>TOTAL EXPENDITURE</b>	6	<b>34,112</b>	<b>1,831,450</b>	<b>154,423</b>	<b>2,019,985</b>	<b>1,777,989</b>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>						
Transfers between Funds	16	(185)	(46,067)	(149,097)	(195,349)	(3,011)
		-	(71,982)	71,982	-	-
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(185)	(118,049)	(77,115)	(195,349)	(3,011)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	119,000	-	119,000	(207,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(185)</b>	<b>951</b>	<b>(77,115)</b>	<b>(76,349)</b>	<b>(210,011)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		118,204	(172,391)	4,644,867	4,590,680	4,800,691
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>118,019</b>	<b>(171,440)</b>	<b>4,567,752</b>	<b>4,514,331</b>	<b>4,590,680</b>


The notes on pages 26 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 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		<b>4,567,752</b>		4,644,867
<b>CURRENT ASSETS</b>					
Debtors	13	669,562		49,981	
Investments	14	50,000		20,000	
Cash at bank and in hand		404,070		375,338	
			<u>1,123,632</u>	<u>445,319</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(793,053)</b>		<b>(97,506)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>330,579</b></u>		<u>347,813</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	20		<b>(384,000)</b>		<b>(402,000)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u><b>4,514,331</b></u></u>		<u><u>4,590,680</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	212,560		229,609	
Restricted fixed asset funds	16	4,567,752		4,644,867	
Restricted income funds excluding pension liability		4,780,312		4,874,476	
Pension reserve		(384,000)		(402,000)	
Total restricted income funds			<u><b>4,396,312</b></u>		<u>4,472,476</u>
Unrestricted income funds	16		<u><b>118,019</b></u>		<u>118,204</u>
<b>TOTAL FUNDS</b>			<u><u><b>4,514,331</b></u></u>		<u><u>4,590,680</u></u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 22 November 2017 and are signed on their behalf, by:

  
 .....  
**Iley Clements**  
**Chair of Trustees**

The notes on pages 26 to 47 form part of these financial statements.

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>136,040</u>	<u>182,874</u>
<b>Cash flows from investing activities:</b>			
Proceeds from the sale of tangible fixed assets		800	-
Purchase of tangible fixed assets		<u>(78,108)</u>	<u>(77,811)</u>
<b>Net cash used in investing activities</b>		<u>(77,308)</u>	<u>(77,811)</u>
<b>Cash flows from financing activities:</b>			
Purchase of current asset investments		<u>(30,000)</u>	<u>(20,000)</u>
<b>Net cash used in financing activities</b>		<u>(30,000)</u>	<u>(20,000)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>28,732</b>	<b>85,063</b>
Cash and cash equivalents brought forward		<u>375,338</u>	<u>290,275</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>404,070</u></u>	<u><u>375,338</u></u>

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**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.

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 receipt is probable 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.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**ROSEWOOD SCHOOL LIMITED**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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 land	-	Not provided
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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**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 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.

**1.9 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.

**1.10 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.

**1.11 Liabilities and provisions**

Liabilities and provisions 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.

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

Estimates and judgments 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 judgment:

There are no critical areas of judgement.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	18,312	7,809	-	26,121	35,956
Capital grants	-	-	5,326	5,326	5,374
	<u>18,312</u>	<u>7,809</u>	<u>5,326</u>	<u>31,447</u>	<u>41,330</u>
<i>Total 2016</i>	<u>35,956</u>	<u>-</u>	<u>5,374</u>	<u>41,330</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	616,993	616,993	694,882
Other grants	-	11,619	11,619	13,858
	<u>-</u>	<u>628,612</u>	<u>628,612</u>	<u>708,740</u>
<b>Other government grants</b>				
Local authority grants	-	1,141,893	1,141,893	990,137
	<u>-</u>	<u>1,141,893</u>	<u>1,141,893</u>	<u>990,137</u>
	<u>-</u>	<u>1,770,505</u>	<u>1,770,505</u>	<u>1,698,877</u>
<i>Total 2016</i>	<u>-</u>	<u>1,698,877</u>	<u>1,698,877</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
School uniforms	708	-	708	777
Sales of services and goods	6,984	-	6,984	17,568
Catering income	-	7,069	7,069	7,180
Other income	6,326	-	6,326	8,273
	<u>14,018</u>	<u>7,069</u>	<u>21,087</u>	<u>33,798</u>
<i>Total 2016</i>	<u>26,618</u>	<u>7,180</u>	<u>33,798</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Short term deposits	1,597	-	1,597	973
	<u>1,597</u>	<u>-</u>	<u>1,597</u>	<u>973</u>
<i>Total 2016</i>	<u>973</u>	<u>-</u>	<u>973</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. EXPENDITURE**

	<b>Staff costs 2017 £</b>	<b>Premises 2017 £</b>	<b>Other costs 2017 £</b>	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Expenditure on fundraising trading	-	-	34,112	34,112	-
Academy's educational activities:					
Direct costs	1,199,722	-	225,022	1,424,744	1,219,773
Support costs	324,619	120,875	115,635	561,129	558,216
	<u>1,524,341</u>	<u>120,875</u>	<u>374,769</u>	<u>2,019,985</u>	<u>1,777,989</u>
<i>Total 2016</i>	<u>1,345,891</u>	<u>101,396</u>	<u>330,702</u>	<u>1,777,989</u>	

**7. ANALYSIS OF SUPPORT COSTS**

	<b>Educational operations £</b>	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Premises costs	120,875	120,875	101,396
Governance costs	19,628	19,628	11,229
Other costs	96,007	96,007	62,441
Wages and salaries	196,404	196,404	200,978
National insurance	8,917	8,917	7,998
Pension cost	119,298	119,298	76,126
Depreciation	-	-	98,048
	<u>561,129</u>	<u>561,129</u>	<u>558,216</u>
<i>At 31 August 2016</i>	<u>558,216</u>	<u>558,216</u>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017 £</b>	<i>2016 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	154,697	156,388
Auditors' remuneration - audit	6,085	5,910
Auditors' remuneration - other services	1,300	1,260
Operating lease rentals	1,037	1,193
	<u>163,119</u>	<u>165,751</u>

**ROSEWOOD SCHOOL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,185,398	1,087,202
Social security costs	82,256	65,061
Operating costs of defined benefit pension schemes	256,687	193,628
	<u>1,524,341</u>	<u>1,345,891</u>

Included in staff costs is a non-statutory/non-contractual severance payment totalling £2,280 (2016: £9,500).

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

	2017 No.	2016 No.
Teachers	12	10
Administrative and teaching support staff	60	56
Management	4	4
	<u>76</u>	<u>70</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total staff costs in respect of key management personnel was £257,580 (2016: £253,594).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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:

		<b>2017</b>	<i>2016</i>
		<b>£'000</b>	<i>£'000</i>
Zoé Evans, Head Teacher and Accounting Officer	Remuneration	<b>65-70</b>	<i>60-65</i>
	Pension contributions paid	<b>10-15</b>	<i>10-15</i>
Georgie Knight, Staff Trustee	Remuneration	<b>25-30</b>	-
	Pension contributions paid	<b>0-5</b>	-
Victoria Morgan, Staff Trustee	Remuneration	<b>20-25</b>	<i>20-25</i>
	Pension contributions paid	<b>0-5</b>	<i>0-5</i>

During the year, no Trustees received any reimbursement of expenses (2016 - £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 2017 was £900 (2016 - £832).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office and computer equipment £	Positional equipment £	Total £
<b>Cost</b>						
At 1 September 2016	4,830,299	77,000	124,111	69,394	61,384	5,162,188
Additions	32,039	-	12,023	10,929	23,117	78,108
Disposals	-	-	(1,184)	(13,583)	-	(14,767)
At 31 August 2017	<u>4,862,338</u>	<u>77,000</u>	<u>134,950</u>	<u>66,740</u>	<u>84,501</u>	<u>5,225,529</u>
<b>Depreciation</b>						
At 1 September 2016	325,204	25,376	86,288	51,421	29,032	517,321
Charge for the year	105,343	9,625	17,333	10,201	12,195	154,697
On disposals	-	-	(1,184)	(13,057)	-	(14,241)
At 31 August 2017	<u>430,547</u>	<u>35,001</u>	<u>102,437</u>	<u>48,565</u>	<u>41,227</u>	<u>657,777</u>
<b>Net book value</b>						
At 31 August 2017	<u>4,431,791</u>	<u>41,999</u>	<u>32,513</u>	<u>18,175</u>	<u>43,274</u>	<u>4,567,752</u>
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>

**13. DEBTORS**

	2017 £	2016 £
Trade debtors	625,059	883
Other debtors	24,129	19,795
Prepayments and accrued income	20,374	29,303
	<u>669,562</u>	<u>49,981</u>

**14. CURRENT ASSET INVESTMENTS**

	2017 £	2016 £
Bank deposits with 120 day notice	<u>50,000</u>	<u>20,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**15. CREDITORS: Amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	50,033	38,216
Other taxation and social security	19,177	18,061
Other creditors	47,807	19,061
Accruals and deferred income	676,036	22,168
	<u>793,053</u>	<u>97,506</u>
	<u><u>793,053</u></u>	<u><u>97,506</u></u>
	2017	2016
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2016	1,785	7,081
Resources deferred during the year	654,565	1,785
Amounts released from previous years	(1,785)	(7,081)
	<u>654,565</u>	<u>1,785</u>
Deferred income at 31 August 2017	<u><u>654,565</u></u>	<u><u>1,785</u></u>

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General funds	68,204	33,927	(34,112)	-	-	68,019
Contingency fund	30,000	-	-	-	-	30,000
Strategic development fund	20,000	-	-	-	-	20,000
	<u>118,204</u>	<u>33,927</u>	<u>(34,112)</u>	<u>-</u>	<u>-</u>	<u>118,019</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	229,609	616,993	(562,060)	(71,982)	-	212,560
Pupil premium	-	7,340	(7,340)	-	-	-
Other DfE/ESFA grants	-	4,279	(4,279)	-	-	-
Local authority grants	-	1,141,893	(1,141,893)	-	-	-
Other income	-	14,878	(14,878)	-	-	-
Pension reserve	(402,000)	-	(101,000)	-	119,000	(384,000)
	<u>(172,391)</u>	<u>1,785,383</u>	<u>(1,831,450)</u>	<u>(71,982)</u>	<u>119,000</u>	<u>(171,440)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset fund	4,644,867	-	(154,423)	77,308	-	4,567,752
Devolved Formula Capital	-	5,326	-	(5,326)	-	-
	<u>4,644,867</u>	<u>5,326</u>	<u>(154,423)</u>	<u>71,982</u>	<u>-</u>	<u>4,567,752</u>
Total restricted funds	<u>4,472,476</u>	<u>1,790,709</u>	<u>(1,985,873)</u>	<u>-</u>	<u>119,000</u>	<u>4,396,312</u>
Total of funds	<u><u>4,590,680</u></u>	<u><u>1,824,636</u></u>	<u><u>(2,019,985)</u></u>	<u><u>-</u></u>	<u><u>119,000</u></u>	<u><u>4,514,331</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
<b>Unrestricted funds</b>						
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>
<b>Restricted funds</b>						
General Annual Grant (GAG)	160,590	694,882	(553,426)	(72,437)	-	229,609
Pupil premium	-	8,149	(8,149)	-	-	-
Other DfE/ESFA 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>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset fund	4,723,444	-	(156,388)	77,811	-	4,644,867
Devolved Formula Capital	-	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>4,800,691</u>	<u>1,774,978</u>	<u>(1,777,989)</u>	<u>-</u>	<u>(207,000)</u>	<u>4,590,680</u>

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

**Pupil premium and other DfE/ESFA grants**

This is funding received from the ESFA for specific purposes.

**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/ESFA capital grants**

This is money received from the DfE/ESFA 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 2017.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,567,752	4,567,752
Current assets	118,019	1,005,613	-	1,123,632
Creditors due within one year	-	(793,053)	-	(793,053)
Pension reserve	-	(384,000)	-	(384,000)
	<u>118,019</u>	<u>(171,440)</u>	<u>4,567,752</u>	<u>4,514,331</u>

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	4,644,867	4,644,867
Current assets	118,204	327,115	-	445,319
Creditors due within one year	-	(97,506)	-	(97,506)
Provisions for liabilities and charges	-	(402,000)	-	(402,000)
	<u>118,204</u>	<u>(172,391)</u>	<u>4,644,867</u>	<u>4,590,680</u>

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

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(195,349)	(3,011)
<b>Adjustment for:</b>		
Depreciation charges	154,697	156,388
Profit on the sale of fixed assets	(274)	-
Increase in debtors	(619,581)	(19,590)
Increase/(decrease) in creditors	695,547	(7,913)
Defined benefit pension scheme cost less contributions payable	101,000	57,000
<b>Net cash provided by operating activities</b>	<u>136,040</u>	<u>182,874</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Cash in hand	335	335
Notice deposits (less than 3 months)	403,735	375,003
<b>Total</b>	<u>404,070</u>	<u>375,338</u>

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**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 2016.

Contributions amounting to £20,191 were payable to the schemes at 31 August 2017 (2016 - £17,632) 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**

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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**20. PENSION COMMITMENTS (continued)**

The employer's pension costs paid to TPS in the period amounted to £82,716 (2016 - £75,055).

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](http://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 2017 was £110,000 (2016 - £92,000), of which employer's contributions totalled £79,000 (2016 - £66,000) and employees' contributions totalled £31,000 (2016 - £26,000). The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
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:

	2017	2016
Retiring today		
Males	24.0	24.6
Females	27.0	26.4
Retiring in 20 years		
Males	26.0	26.7
Females	29.3	28.7

	At 31 August 2017	At 31 August 2016
<b>Sensitivity analysis</b>	£	£
Discount rate +0.1%	1,019,000	985,000
Discount rate -0.1%	1,067,000	1,017,000
Mortality assumption - 1 year increase	1,012,000	969,000
Mortality assumption - 1 year decrease	1,074,000	1,033,000

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**20. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2017 £</b>	<i>Fair value at 31 August 2016 £</i>
Equities	403,000	340,000
Property	43,000	44,000
Government bonds	163,000	158,000
Corporate bonds	7,000	11,000
Cash and other liquid assets	20,000	31,000
Other	23,000	15,000
	<u>659,000</u>	<u>599,000</u>

The actual return on scheme assets was £-9,000 (2016 - £93,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2017 £</b>	<i>2016 £</i>
Current service cost	(173,000)	(119,000)
Net interest cost	(7,000)	(4,000)
	<u>(180,000)</u>	<u>(123,000)</u>

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

	<b>2017 £</b>	<i>2016 £</i>
Opening defined benefit obligation	1,001,000	557,000
Current service cost	173,000	119,000
Interest cost	20,000	22,000
Employee contributions	31,000	26,000
Actuarial (gains)/losses	(141,000)	282,000
Benefits paid	(41,000)	(5,000)
	<u>1,043,000</u>	<u>1,001,000</u>

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**20. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	599,000	419,000
Interest income	13,000	18,000
Actuarial gains/(losses)	(22,000)	75,000
Employer contributions	79,000	66,000
Employee contributions	31,000	26,000
Benefits paid	(41,000)	(5,000)
	<u>659,000</u>	<u>599,000</u>
Closing fair value of scheme assets	<u>659,000</u>	<u>599,000</u>

**21. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	519	1,037
Between 1 and 5 years	1,373	1,893
Total	<u>1,892</u>	<u>2,930</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 transactions 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) - sales of £12,483 (2016: £882).

Paris Smith LLP - Nicholas Vaughan is an LLP designated member - purchases of £9,527 (2016: £nil).

The trust made the transactions at arms' length in accordance with its financial regulations and complied with the requirements of the Academies Financial Handbook.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.