

Company Registration Number: 07667999 (England & Wales)

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23 - 24
Statement of cash flows	25
Notes to the financial statements	26 - 50

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Robert Burton (resigned 1 September 2017) Iley Clements (resigned 27 March 2018) Martin Gille (resigned 20 August 2018) Colleen Grice (resigned 1 September 2017) Elizabeth McCaughey Anthony Boyle (appointed 1 September 2017) Nicholas Vaughan (appointed 1 September 2017) Phil Orchard (appointed 1 September 2017)
Trustees	Anthony Boyle, Chair Robert Burton (resigned 1 November 2017) Iley Clements (resigned 27 March 2018) Ann Dyton (resigned 20 March 2018) Andy Evans (appointed 1 September 2017) Zoé Evans, Chief Executive Officer Martin Gillie (resigned 20 August 2018) Colleen Grice (resigned 1 July 2017) Juno Hollyhock (appointed 27 March 2018) Georgie Knight (resigned 1 September 2017) Nicola Le Prevost Elizabeth McCaughey (resigned 24 August 2018) Victoria Morgan (resigned 1 September 2017) Philip Orchard (appointed 1 September 2017, resigned 24 August 2018) Clair Smith (appointed 15 May 2017, resigned 11 December 2017) Nicholas Vaughan (resigned 24 August 2018) Susan Williams (appointed 1 September 2017)
Company registered number	07667999
Company name	Rosewood School Limited
Principal and registered office	Aldermoor Road Southampton Hampshire SO16 5NA

ROSEWOOD SCHOOL LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary Clair Smith

Senior management team Zoé Evans, Chief Executive Officer
Andy Evans, Head Teacher
Jo Allen, Deputy Head Teacher
Angela Hardy, Deputy Head Teacher
Matt Harvey, Assistant Head Teacher
Luke Thorne, Assistant Head Teacher
Clair Smith, Director Of Finance and Operations

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

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

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

Hampshire Trust Bank
PO Box 73115
London
EC4P 4GP

Solicitors Paris Smith
1 London Road
Southampton
Hampshire
SO15 2AE

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

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

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

Structure, Governance and Management

Constitution

Rosewood School Limited (also known as Solent Special Education Trust) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents.

The Trustees of Rosewood School Limited are also the Directors of the charitable company for the purposes of company law. The charitable companies are known as Rosewood Free School and Great Oaks School.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

Full Trustees

- Approval of a written scheme of delegation of financial powers and duties to the Finance Committee, the Headteachers and other staff in order to ensure that adequate financial controls are in place and operate in conjunction with the trust's Finance Manual.
- Formally approve the annual schools' budgets at least two months prior to the start of each financial year.
- Consider budgetary reports from the Finance Committee at every meeting.
- Receive the reports of the external auditor.
- Receive the reports of the Accounting Officer on the use of resources, systems of internal financial control and discharge of financial responsibilities.
- Approval of the Trust Improvement Plan and School Improvement Plan (delegated to LGBs)
- Monitoring of safeguarding and Child Protection procedures.

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

Finance Committee

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

Risk Management

The Trustees have reviewed the key risks to which the schools are exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the schools' significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

Trade Union Facility Time

There are no trade union officials employed by the school.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Trust vision statement: Individual schools with a shared focus on transforming lives through educational excellence

Individual Schools

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

Shared Focus

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

Educational Excellence

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

Strategies to support development include:

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

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Public Benefit

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

Strategic Report

Achievements and Performance

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

Key Findings:

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

Great Oaks School is due an OFSTED Inspection. Its predecessor school was awarded a Good grade in 2013.

The school was inspected by the Local Authority in 2018.

2017/18 Key Findings- Pupil Achievement:

- Due to the learning difficulties and special educational needs of the young people who attend Great Oaks and Rosewood schools they are all working well below age related expectations. However pupils in both schools make significant progress towards their individual learning goals. A summary of data for the Year 17 / 18 for each school is shown below.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators

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

- Staff turnover - this is monitored at every change of personnel by the Finance Committee and at exit interviews. Turnover is low at 7% for teaching staff and permanent support staff.
- Income streams – ESFA (Education & Skills Funding Agency) grants and Local Authority funding, alongside any other dedicated sources of income are monitored termly by the board of trustees. The schools prepare yearly budgets and rolling forecasts. The schools aimed to achieve a surplus before actuarial gains and losses and have achieved this for the year to 31 August 2018.
- Number of students – The Headteachers lead the schools' marketing strategies. Rosewood Free School currently have 58 pupils on roll expected to rise to 65 by the end of the year. Great Oaks School currently has 215 on the roll.
- Great Oaks School have three offsite provisions – The Farm, The Lodge and Harcourt Road. The number of pupils attending these offsite provisions is 32.
- Achievement and Attainment – The Headteachers lead the schools' rigorous monitoring and evaluation programme to ensure that standards are challenged and improving. The schools have good reputations both locally and nationally.

ImPACTS Data Summary 2017/18

Data Analysis and Development:

Overall 87% of learners achieved their expected rate and this year only 20% exceeded, this is a predicted variable linked to the changes that were made to the communication assessment. More detailed assessment has increased the numerical input and altered the ipsative figure with a margin of 6-19% improvement. Medical and the impact of health needs are the main reasons for pupils not achieving expected rates 12.5% and includes one of the five not achieving expected rate having a six month stay in hospital. Last year we raised the profile of identifying those learners with active safeguarding plans and pupil premium, this year only one of the five are not meeting expected rates are pupil premium. The other learners from last year identified as not meeting progress have met this year and two are in the exceeded statistic but the increase is linked to reassessment on the new assessment formats.

2017/18 Key Findings

- The expected rate of progress for vulnerable learners is in line with overall progress. The measures to target individual needs using planned intervention with Pupil Premium spending need to be continued and prioritised.
- 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.
- Post 16 learners, new to the school need to be baselined after their first term in school and an end of year ipsative completed to ensure pace of learning is as expected. (Ofsted identified new P16 learners who had waited two terms prior to assessment)

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

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

<6% - consolidation of existing learning

5-10% expected rate of ipsative progress for SLD learners

7-10% - indicates the emergence of a new skill / this also reflects progress from baseline to first ipsative for new P16 learners

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

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

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- The main influence impacting learners' progress is medical intervention and deterioration in health and wellbeing.

Going Concern

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

Financial Review

The Trustees consider that the schools are in a satisfactory financial position. All expenditure is clearly related to the key objectives of the Trust. The Trust had no outside investments at the end of the financial year.

The actuarial report on the Local Government Pension scheme (LGPS) identifies a funding deficit under FRS102 and the schools' proportion of this funding deficit is shown on the balance sheet. Part of this deficit relates to service by staff for employment prior to joining the schools, known as a past service deficit. The Trustees are aware that this is an ongoing liability and not a debt that is due and payable upon demand. A "past service" element will be included in monthly employer contributions following the next Fund Valuation in 2018. The "past service" element of contributions is part of a 25 year recovery plan which was put in place following the 2010 Fund Valuation. In the opinion of the Trustees the current level of funding by the schools is sufficient to meet known future pension contributions. This funding level is reviewed on a triennial basis.

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

Reserves Policy

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

The reserves as at 31 August 2018 were as follows:

- Unrestricted (free) reserves of £87,928
- A restricted fixed asset fund of £7,388,429, which can only be realised through disposal of fixed assets
- A pension deficit of £1,320,000
- Other restricted funds of £270,210
- Total funds of £6,426,567

There is a £1,320,000 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 Trust's policy to invest any funds not needed for the foreseeable future in interest bearing immediate access savings accounts.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties

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

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

Key areas include:

- Government Funding: The Trust has considerable reliance on continued Government and Local Authority funding through the education sector funding bodies. There can be no assurance that Government policy or practice will remain consistent and that funding will continue at these levels. Funding is linked most consistently to student numbers and level of need. The risk is mitigated by:
 - ◆ Ensuring the Trust is rigorous in delivering high quality Attainment and Achievement – Rosewood Free School's outcomes are rated outstanding by OFSTED and strong monitoring and evaluation systems are in place to maintain these standards. These outcomes mitigate the risk of reduction of student numbers.
 - ◆ Great Oaks School are awaiting OFSTED from their previous Ofsted of GOOD. Great Oaks aims to be an outstanding school
 - ◆ Maintaining strong recruitment strategies and a quality curriculum offer to attract and maintain student numbers, with the aim of an overall student body of approximately 60 students in Rosewood Free School and 215 in Great Oaks School.
- Reputational Risk – strong systems for Safeguarding and Acceptable Use of information technology are in place to allay these risks.
- Health and Safety – strong policies and procedures including risk assessment processes and appropriate training are in place to allay these risks.
- Premises - appropriate insurances are in place to support the Trust against damage or theft to property.
- Pupil Numbers – complex health needs of pupils with life limiting conditions often lead to pupil deaths at Rosewood - this is a risk to the school that cannot be mitigated.

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. [amend as appropriate] The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. In relation to fundraising, the Trustees confirm that:

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

Plans for future periods

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

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

ROSEWOOD SCHOOL LIMITED
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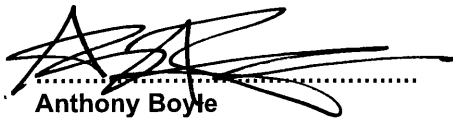
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

In so far as the Trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on its behalf by:



Anthony Boyle
Chair of Trustees

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Rosewood School Limited has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Present:		Meetings Attended	Out of a Possible	
Tony Boyle	Member/Vice-Chair of Trustees	4	4	now acting Chair
Martin Gillie	Member/Trustee	4	4	resigned August 2018
Andy Evans	Trustee/Head Teacher Great Oaks	4	4	
Zoé Evans	Trustee/CEO/Head Teacher Rosewood	4	4	
Nick Le Prevost	Trustee	4	4	
Sue Williams	Trustee	3	4	
Iley Clements	Chair of Trustees	2	2	resigned April 2018
Clair Smith	Trustee	1	1	resigned as a trustee in Nov 17
Juno Hollyhock	Prospective Trustee	0	1	newly appointed
Malcolm Smith	Prospective Trustee	1	1	awaiting appointment

Finance committee

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

	Meetings attended	Out of a possible
Robert Burton	2	5
Zoé Evans (Headteacher and Accounting Officer)	5	6
Martin Gillie – resigned August 18	6	6
Andy Evans	6	6
Scott Ashmore	5	6
Neville Button	4	6
Clair Smith	4	5

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governance reviews:

The Trustees (and the management of the school) had significant changes to manage this year linked to the formation of the MAT and the implementation of the scheme of delegation.

Local governing bodies have been established with a clear focus on standards of teaching and learning.

The Trust has been challenged by being unable to recruit a permanent Clerk to the Trustees. Although per meeting Hampshire Governing Services have provided a Clerk who has been able to ensure due process, the overall organisation of Trustee communication has remained with the Headteachers and Director of Finance and Operations.

Some cross Trust appointments have been made during the year, notably a Director of Finance and Operations and a Head of 16-25 provision.

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 Ofsted inspection of Rosewood Free School, the inspector gave the school an outstanding status in all areas. The status was achieved as a result of the leadership shown by the school in setting new standards for education of PMLD children and is a tribute to the way in which all of the staff without inspection work towards achieving the highest standards possible within the funds made available. The staff are always seeking to improve on the educational achievements of the young people in the school whilst remaining within the resources available.
2. The Trust is driven both by vision for excellence in education and the provision of appropriate placements but also the opportunities the Trust affords the schools to streamline and combine services and use the combined buying power to reduce overall costs.
3. 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.
4. Rosewood Free School continue to benefit from the income generated from ImPACTS and continue to offer training and have expanded the number of schools nationally updating the system.
5. Great Oaks School have trained staff members to the Higher Level Teaching Assistant to help with cost of supply teachers when staff members are off sick.
6. Great Oaks School lease out parts of the school and generate income from the lettings.
7. For the academic year 17/18 Great Oaks has increased class sizes, by an additional 16 pupils in the year, to negate the impact of the funding reductions.
8. The schools have adopted the practice of offering fixed term contracts. This policy will be continued to be reviewed and the impact of recruitment and retention.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

9. As the Trust develops and expands the staffing structure is continuously under review. Staff are deployed to meet the individual needs of each pupil. Rigorous training ensures that staff are skilled and highly effective in supporting the learning across the schools.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance 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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

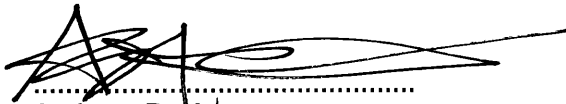
Review of Effectiveness

As Accounting Officer, the Chief Executive Officer of Rosewood Free School 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 Director of Finance and Operations and the finance administration team;
- The work of the monitoring and challenge undertaken by the Finance Committee;
- The work of the external auditor.

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:



Anthony Boyle
Chair of Trustees



Zoe Evans
Accounting Officer

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Rosewood School Limited I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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: 5 December 2018

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:


.....
Anthony Boyle
Chair of Trustees

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Rosewood School Limited (the 'Academy') for the year ended 31 August 2018 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

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

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 or to cease operations, or have no realistic alternative but to do so.

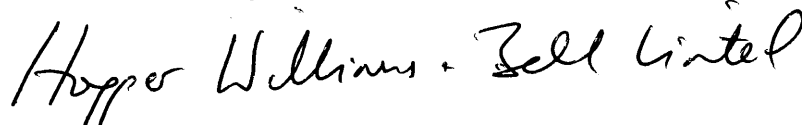
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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. This description forms part of our Auditors' report.

USE OF OUR REPORT

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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 2011

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

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

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hopper Williams & Bell Limited

David Brookes FCA

Hopper Williams & Bell Limited

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

Date: *14 December 2018*

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £	
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	(113,626)	(1,155,000)	2,987,367	1,718,741	-
Other donations and capital grants	2	19,182	-	32,562	51,744	31,447
Charitable activities	3	-	5,700,076	-	5,700,076	1,770,505
Other trading activities	4	62,459	23,939	-	86,398	21,087
Investments	5	1,894	-	-	1,894	1,597
TOTAL INCOME		(30,091)	4,569,015	3,019,929	7,558,853	1,824,636
EXPENDITURE ON:						
Raising funds		-	78,932	-	78,932	34,112
Charitable activities		-	5,756,474	223,211	5,979,685	1,985,873
TOTAL EXPENDITURE	6	-	5,835,406	223,211	6,058,617	2,019,985
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(30,091)	(1,266,391)	2,796,718	1,500,236	(195,349)
Transfers between Funds	18	-	(23,959)	23,959	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(30,091)	(1,290,350)	2,820,677	1,500,236	(195,349)
Actuarial gains on defined benefit pension schemes	23	-	412,000	-	412,000	119,000
NET MOVEMENT IN FUNDS		(30,091)	(878,350)	2,820,677	1,912,236	(76,349)
RECONCILIATION OF FUNDS:						
Total funds brought forward		118,019	(171,440)	4,567,752	4,514,331	4,590,680
TOTAL FUNDS CARRIED FORWARD		87,928	(1,049,790)	7,388,429	6,426,567	4,514,331

The notes on pages 26 to 50 form part of these financial statements.

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

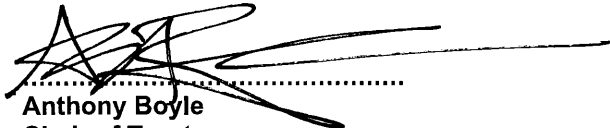
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		7,370,359		4,567,752
CURRENT ASSETS					
Debtors	14	329,067		669,562	
Investments	15	50,000		50,000	
Cash at bank and in hand		808,817		404,070	
		<u>1,187,884</u>		<u>1,123,632</u>	
CREDITORS: amounts falling due within one year	16	<u>(751,707)</u>		<u>(793,053)</u>	
NET CURRENT ASSETS			<u>436,177</u>		<u>330,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,806,536</u>		<u>4,898,331</u>
CREDITORS: amounts falling due after more than one year	17		<u>(59,969)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>7,746,567</u>		<u>4,898,331</u>
Defined benefit pension scheme liability	23		<u>(1,320,000)</u>		<u>(384,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,426,567</u></u>		<u><u>4,514,331</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	270,210		212,560	
Restricted fixed asset funds	18	7,388,429		4,567,752	
Restricted income funds excluding pension liability		<u>7,658,639</u>		<u>4,780,312</u>	
Pension reserve		<u>(1,320,000)</u>		<u>(384,000)</u>	
Total restricted income funds			<u>6,338,639</u>		<u>4,396,312</u>
Unrestricted income funds	18		<u>87,928</u>		<u>118,019</u>
TOTAL FUNDS			<u><u>6,426,567</u></u>		<u><u>4,514,331</u></u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:



.....
Anthony Boyle
Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>445,820</u>	<u>136,040</u>
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		-	800
Purchase of tangible fixed assets		<u>(41,073)</u>	<u>(78,108)</u>
Net cash used in investing activities		<u>(41,073)</u>	<u>(77,308)</u>
Cash flows from financing activities:			
Purchase of current asset investments		-	(30,000)
Net cash used in financing activities		<u>-</u>	<u>(30,000)</u>
Change in cash and cash equivalents in the year		404,747	28,732
Cash and cash equivalents brought forward		<u>404,070</u>	<u>375,338</u>
Cash and cash equivalents carried forward	21	<u><u>808,817</u></u>	<u><u>404,070</u></u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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 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.

1.3 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 funders where the asset acquired or created is held for a specific purpose.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 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.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.5 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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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.

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
Leasehold property	-	7 to 50 years straight line
Furniture and fixtures	-	5 years straight line
Motor vehicles	-	8 years straight line
Office equipment	-	3 to 5 years straight line

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.

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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 14. 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 notes 16 and 17. 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.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 23, 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 2018. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	(113,626)	(1,155,000)	2,987,367	1,718,741	-
Donations	19,182	-	-	19,182	26,121
Capital grants	-	-	32,562	32,562	5,326
Subtotal	19,182	-	32,562	51,744	31,447
	(94,444)	(1,155,000)	3,019,929	1,770,485	31,447
<i>Total 2017</i>	18,312	7,809	5,326	31,447	

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,604,755	2,604,755	616,993
Other grants	-	131,193	131,193	11,619
	-	2,735,948	2,735,948	628,612
Other government grants				
Local authority grants	-	2,952,914	2,952,914	1,141,893
	-	2,952,914	2,952,914	1,141,893
Other funding				
Other income	-	11,214	11,214	-
	-	11,214	11,214	-
	-	5,700,076	5,700,076	1,770,505
<i>Total 2017</i>	-	1,770,505	1,770,505	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
School uniforms	3,180	-	3,180	708
Sales of services and goods	26,380	-	26,380	6,984
Catering income	-	23,939	23,939	7,069
Other income	24,935	-	24,935	6,326
Lettings Income	7,964	-	7,964	-
	62,459	23,939	86,398	21,087
<i>Total 2017</i>	14,018	7,069	21,087	

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	1,894	-	1,894	1,597
<i>Total 2017</i>	<u>1,597</u>	<u>-</u>	<u>1,597</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	-	78,932	78,932	34,112
Support costs	-	-	-	-	-
Educational activities:					
Direct costs	4,308,518	-	451,884	4,760,402	1,424,744
Support costs	653,627	355,659	209,997	1,219,283	561,129
	<u>4,962,145</u>	<u>355,659</u>	<u>740,813</u>	<u>6,058,617</u>	<u>2,019,985</u>
<i>Total 2017</i>	<u>1,524,341</u>	<u>120,875</u>	<u>374,769</u>	<u>2,019,985</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	20,008	20,008	-
Premises costs	355,659	355,659	120,875
Governance costs	14,610	14,610	19,628
Other costs	175,379	175,379	96,007
Wages and salaries	409,878	409,878	196,404
National insurance	29,530	29,530	8,917
Pension cost	214,219	214,219	119,298
	<u>1,219,283</u>	<u>1,219,283</u>	<u>561,129</u>
<i>Total 2017</i>	<u>561,129</u>	<u>561,129</u>	

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	206,291	154,697
Auditors' remuneration - audit	6,225	6,085
Auditors' remuneration - other services	1,330	1,300
Operating lease rentals	2,915	1,037
	<u>216,761</u>	<u>163,119</u>

9. CENTRAL SERVICES

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

The Academy charges for these services on the following basis:

Staff costs in respect of some members of the senior management team were recharged as the work related to the trust as a whole.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Great Oaks School	<u>53,404</u>	<u>-</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,841,144	1,185,398
Social security costs	391,733	82,256
Operating costs of defined benefit pension schemes	729,268	256,687
	4,962,145	1,524,341

b. Non-statutory/non-contractual staff severance payments

Included in staff costs is a non-statutory/non-contractual severance payment totalling £8,689 (2017: £2,280).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	43	12
Administrative and teaching support staff	138	60
Management	7	4
	188	76

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	0

e. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total staff costs in respect of key management personnel was £544,607 (seven employees) (2017: £257,580; four employees).

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

		2018	<i>2017</i>
		£'000	<i>£'000</i>
Zoé Evans, Chief Executive Officer and Accounting Officer	Remuneration	70-75	<i>65-70</i>
	Pension contributions paid	10-15	<i>10-15</i>
Georgie Knight, Staff Trustee	Remuneration	-	<i>25-30</i>
	Pension contributions paid	-	<i>0-5</i>
Victoria Morgan, Staff Trustee	Remuneration	-	<i>20-25</i>
	Pension contributions paid	-	<i>0-5</i>
Andy Evans, Head Teacher	Remuneration	80-85	-
	Pension contributions paid	10-15	-

During the year, one Trustee received reimbursement of expenses of £582 (2017 - £nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Development for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst in academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Office and computer equipment £	Total £
Cost					
At 1 September 2017	4,862,338	219,451	77,000	66,740	5,225,529
Additions	2,959,178	30,899	17,825	996	3,008,898
At 31 August 2018	<u>7,821,516</u>	<u>250,350</u>	<u>94,825</u>	<u>67,736</u>	<u>8,234,427</u>
Depreciation					
At 1 September 2017	430,547	143,664	35,001	48,565	657,777
Charge for the year	148,044	33,099	16,459	8,689	206,291
At 31 August 2018	<u>578,591</u>	<u>176,763</u>	<u>51,460</u>	<u>57,254</u>	<u>864,068</u>
Net book value					
At 31 August 2018	<u>7,242,925</u>	<u>73,587</u>	<u>43,365</u>	<u>10,482</u>	<u>7,370,359</u>
At 31 August 2017	<u>4,431,791</u>	<u>75,787</u>	<u>41,999</u>	<u>18,175</u>	<u>4,567,752</u>

14. DEBTORS

	2018 £	2017 £
Trade debtors	204,704	625,059
Other debtors	58,294	24,129
Prepayments and accrued income	66,069	20,374
	<u>329,067</u>	<u>669,562</u>

15. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Bank deposits with 120 day notice	<u>50,000</u>	<u>50,000</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	34,332	50,033
Other taxation and social security	75,036	19,177
Other creditors	193,752	47,807
Accruals and deferred income	448,587	676,036
	<u>751,707</u>	<u>793,053</u>
	<u><u>751,707</u></u>	<u><u>793,053</u></u>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	654,565	1,785
Resources deferred during the year	360,506	654,565
Amounts released from previous years	(654,565)	(1,785)
	<u>360,506</u>	<u>654,565</u>
Deferred income at 31 August 2018	<u><u>360,506</u></u>	<u><u>654,565</u></u>

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

17. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	<u>59,969</u>	<u>-</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	68,019	83,535	-	-	-	151,554
GOS deficit on conversion	-	(113,626)	-	-	-	(113,626)
Contingency fund	30,000	-	-	-	-	30,000
Strategic development fund	20,000	-	-	-	-	20,000
	<u>118,019</u>	<u>(30,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,928</u>
Restricted funds						
General Annual Grant (GAG)	212,560	2,604,755	(2,523,146)	(23,959)	-	270,210
Pupil premium	-	90,765	(90,765)	-	-	-
Other DfE/ESFA grants	-	40,428	(40,428)	-	-	-
Local authority grants	-	2,952,914	(2,952,914)	-	-	-
Other income	-	35,153	(35,153)	-	-	-
Pension reserve	(384,000)	(1,155,000)	(193,000)	-	412,000	(1,320,000)
	<u>(171,440)</u>	<u>4,569,015</u>	<u>(5,835,406)</u>	<u>(23,959)</u>	<u>412,000</u>	<u>(1,049,790)</u>
Restricted fixed asset funds						
Restricted Fixed Asset fund	4,567,752	2,967,825	(206,291)	41,073	-	7,370,359
Devolved Formula Capital	-	15,642	-	(15,642)	-	-
Local authority capital grants	-	16,920	(16,920)	-	-	-
Local authority balance on conversion	-	19,542	-	(1,472)	-	18,070
	<u>4,567,752</u>	<u>3,019,929</u>	<u>(223,211)</u>	<u>23,959</u>	<u>-</u>	<u>7,388,429</u>
Total restricted funds	<u>4,396,312</u>	<u>7,588,944</u>	<u>(6,058,617)</u>	<u>-</u>	<u>412,000</u>	<u>6,338,639</u>
Total of funds	<u>4,514,331</u>	<u>7,558,853</u>	<u>(6,058,617)</u>	<u>-</u>	<u>412,000</u>	<u>6,426,567</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. 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 trust on conversion.

Fixed asset fund

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

DfE/ESFA capital grants

This is 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 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Rosewood School	447,480	330,579
Great Oaks School	(89,342)	-
Total before fixed asset fund and pension reserve	358,138	330,579
Restricted fixed asset fund	7,388,429	4,567,752
Pension reserve	(1,320,000)	(384,000)
Total	6,426,567	4,514,331

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Great Oaks School	(89,342)

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

The Academy is taking the following action to return the academies to surplus:

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

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Rosewood School	1,395,110	364,688	21,176	269,500	2,050,474	1,777,989
Great Oaks School	2,913,408	288,939	72,561	526,944	3,801,852	-
	<u>4,308,518</u>	<u>653,627</u>	<u>93,737</u>	<u>796,444</u>	<u>5,852,326</u>	<u>1,777,989</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
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>
Restricted funds						
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>
Restricted fixed asset funds						
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>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	68,204	117,462	(34,112)	-	-	151,554
GOS deficit on conversion	-	(113,626)	-	-	-	(113,626)
Contingency fund	30,000	-	-	-	-	30,000
Strategic development fund	20,000	-	-	-	-	20,000
	<u>118,204</u>	<u>3,836</u>	<u>(34,112)</u>	<u>-</u>	<u>-</u>	<u>87,928</u>
Restricted funds						
General Annual Grant (GAG)	229,609	3,221,748	(3,085,206)	(95,941)	-	270,210
Pupil premium	-	98,105	(98,105)	-	-	-
Other DfE/ESFA grants	-	44,707	(44,707)	-	-	-
Local authority grants	-	4,094,807	(4,094,807)	-	-	-
Other income	-	50,031	(50,031)	-	-	-
Pension reserve	(402,000)	(1,155,000)	(294,000)	-	531,000	(1,320,000)
	<u>(172,391)</u>	<u>6,354,398</u>	<u>(7,666,856)</u>	<u>(95,941)</u>	<u>531,000</u>	<u>(1,049,790)</u>
Restricted fixed asset funds						
Restricted Fixed Asset fund	4,644,867	2,967,825	(360,714)	118,381	-	7,370,359
Devolved Formula Capital	-	20,968	-	(20,968)	-	-
Local authority capital grants	-	16,920	(16,920)	-	-	-
Local authority balance on conversion	-	19,542	-	(1,472)	-	18,070
	<u>4,644,867</u>	<u>3,025,255</u>	<u>(377,634)</u>	<u>95,941</u>	<u>-</u>	<u>7,388,429</u>
	<u>4,472,476</u>	<u>9,379,653</u>	<u>(8,044,490)</u>	<u>-</u>	<u>531,000</u>	<u>6,338,639</u>
Total of funds	<u><u>4,590,680</u></u>	<u><u>9,383,489</u></u>	<u><u>(8,078,602)</u></u>	<u><u>-</u></u>	<u><u>531,000</u></u>	<u><u>6,426,567</u></u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,370,359	7,370,359
Current assets	87,928	1,081,886	18,070	1,187,884
Creditors due within one year	-	(751,707)	-	(751,707)
Creditors due in more than one year	-	(59,969)	-	(59,969)
Pension reserve	-	(1,320,000)	-	(1,320,000)
	<u>87,928</u>	<u>(1,049,790)</u>	<u>7,388,429</u>	<u>6,426,567</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,500,236	(195,349)
Adjustment for:		
Depreciation charges	206,291	154,697
Profit on the sale of fixed assets	-	(274)
Decrease/(increase) in debtors	340,495	(619,581)
Increase in creditors	18,623	695,547
Fixed assets transferred on conversion	(2,967,825)	-
Defined benefit pension scheme obligation on conversion	1,155,000	-
Defined benefit pension scheme cost less contributions payable	193,000	101,000
Net cash provided by operating activities	<u>445,820</u>	<u>136,040</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	108	335
Notice deposits (less than 3 months)	808,709	403,735
Total	808,817	404,070

22. CONVERSION TO AN ACADEMY TRUST

On 1 September 2017 Great Oaks School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Rosewood School Limited from Southampton City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,950,000	2,950,000
- Other tangible fixed assets	-	-	17,825	17,825
Budget surplus/(deficit) on LA funds	(113,626)	-	19,542	(94,084)
LGPS pension surplus/(deficit)	-	(1,155,000)	-	(1,155,000)
Net assets/(liabilities)	(113,626)	(1,155,000)	2,987,367	1,718,741

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. 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 £69,775 were payable to the schemes at 31 August 2018 (2017 - £20,191) 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.
- 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%.

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.

The employer's pension costs paid to TPS in the period amounted to £150,014 (2017 - £82,716).

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £456,000 (2017 - £110,000), of which employer's contributions totalled £349,000 (2017 - £79,000) and employees' contributions totalled £107,000 (2017 - £31,000). The agreed contribution rates for future years are 15.1% 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
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:

	2018	2017
Retiring today		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years		
Males	26.2	26.0
Females	29.4	29.3

Sensitivity analysis	At 31 August 2018	At 31 August 2017
	£	£
Discount rate +0.1%	4,187,000	1,019,000
Discount rate -0.1%	4,375,000	1,067,000
Mortality assumption - 1 year increase	4,400,000	1,074,000
Mortality assumption - 1 year decrease	4,160,000	1,012,000

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,891,000	403,000
Property	204,000	43,000
Government bonds	678,000	163,000
Corporate bonds	36,000	7,000
Cash and other liquid assets	68,000	20,000
Other	83,000	23,000
	<u>2,960,000</u>	<u>659,000</u>
Total market value of assets	<u>2,960,000</u>	<u>659,000</u>

The actual return on scheme assets was £185,000 (2017 - £-9,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(508,000)	(173,000)
Net interest cost	(34,000)	(7,000)
	<u>(542,000)</u>	<u>(180,000)</u>
Total	<u>(542,000)</u>	<u>(180,000)</u>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	1,043,000	1,001,000
Current service cost	508,000	173,000
Transferred in on existing academies joining the trust	2,845,000	-
Interest cost	98,000	20,000
Employee contributions	107,000	31,000
Actuarial gains	(291,000)	(141,000)
Benefits paid	(30,000)	(41,000)
	<u>4,280,000</u>	<u>1,043,000</u>
Closing defined benefit obligation	<u>4,280,000</u>	<u>1,043,000</u>

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	659,000	599,000
Transferred in on existing academies joining the trust	1,690,000	-
Interest income	64,000	13,000
Actuarial losses/(gains)	121,000	(22,000)
Employer contributions	349,000	79,000
Employee contributions	107,000	31,000
Benefits paid	(30,000)	(41,000)
	2,960,000	659,000
	2,960,000	659,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	2,860	519
Between 1 and 5 years	3,023	1,373
	5,883	1,892
	5,883	1,892

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

Phil Orchard (member of the trust) provided services totalling £6,634.

The trust did not make the transactions at arms' length in accordance with its financial regulations and therefore did not comply with the requirements of the Academies Financial Handbook.

ROSEWOOD SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

26. MEMBERS' LIABILITY

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