

Rosewood School Limited
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number:
07667999 (England and Wales)

Rosewood School Limited

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Rosewood School Limited

Reference and Administrative Details

Members:

Anthony Boyle

Carol Dixon

Elizabeth McCaughey

Nick Vaughn

Sheena Williams (appointed 16 September 2020)

Trustees:

Scott Ashmore*

Anthony Boyle (Chair)

Andrew Evans (Headteacher)* (resigned 23 July 2021)

Zoé Evans (Headteacher and Accounting Officer)*

Rosemary Gregory

Juno Hollyhock

Nicola Le Prevost

Liz McCaughey

Malcom Smith*

Susan Williams

*members of the Finance Committee

Senior Management Team:

Rosewood Free School

Head Teacher Zoé Evans

Deputy Head Teacher Sarah Clarke

Great Oaks School

Head teacher Andrew Evans

Deputy Head Angela Hardy

Deputy Head Geraldine Lindsay

Trust

Post 16 DHT Jo Allen

Chief Financial Officer Jen Frost

Rosewood School Limited

Reference and Administrative Details

Company Name

Rosewood School Limited

Principal and Registered Office

Rosewood Free School

300 Aldermoor Road

Southampton

Hampshire

SO16 5NA

Company Registration Number

07667999 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Bankers

Lloyds Bank Plc.

77 Shirley High Street

Shirley

Southampton

Hampshire

SO15 3TX

Solicitors

Paris Smith LLP

1 London Road

Southampton

Hampshire

SO15 2AE

Rosewood School Limited

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law. It should be noted that this period covers continued disruption linked to the national pandemic of COVID 19 and a periods of national lockdown and significant changes in the requirements for schools to be part of the national response.

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

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

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Rosewood School Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Rosewood Free School and Great Oaks School.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Rosewood School Limited

Trustees' Report

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.

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.

Rosewood School Limited

Trustees' Report

Organisational Structure (continued)

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.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have delegated the performance management of each Head teacher to the Local Governing bodies. An external advisor is appointed to review the targets and improvement plans of the school. The Governors then make a recommendation to the Trustees who review salary and decide on incremental salary increases. Head Teachers are informed of these decisions by letter from the Chair of Trustees.

Trade union facility time

There are no trade union officials employed by the school.

Objectives and Activities

Trust vision statement

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

Individual Schools

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

Rosewood School Limited

Trustees' Report

Objectives and Activities (continued)

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.

Public Benefit

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

Rosewood School Limited

Trustees' Report

Strategic Report

Achievements and Performance

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

Key Findings

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

Great Oaks School was recently inspected in November 2021 and the report is pending.

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 20/21 for each school is attached as appendices. It should be noted that the collection of data has been impacted by the national lockdowns due to the COVID 19 pandemic.

Rosewood Free School ImPACTS Data Summary 2020/21:

Data Analysis and Development:

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

Rosewood School Limited

Trustees' Report

Achievements and Performance (continued)

- All the above, bar G, have been followed up by SLT, conversations with teaching team and where relevant discussed with MDT
- Pupil Premium:
 - 87.5 % achieved their expected rate or exceeded
 - The one learner who did not is a child who has a deteriorating condition, they did make some progress but not at the rate we would typically expect for a learner with PMLD in Key Stage 1
 - We were able to see the impact of targeted spending plans being completed early in the Autumn term to ensure these learners were able to get maximum benefit

2020/21 Key Findings:

- The expected rate of progress for vulnerable learners is in line with overall progress.
- Planned spending and targeted resources in the Autumn term have impacted learning opportunities
- There is no statistical difference between the progress and meeting expected rates between girls and boys
- Post 19 learners with PMLD are following the same expected rates of progress as the whole school
- Learners with SLD make steadier progress and are not working in a three year cycle.
- All learners have assessment data on electronic platform.

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

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

<6% - consolidation of existing learning

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

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

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

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

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

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

Rosewood School Limited

Trustees' Report

Key Performance Indicators

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

Staff turnover

This is monitored at every change of personnel by the Finance Committee and at exit interviews. Turnover of teaching staff is 16.39% at RWS (two teachers transferred from Rosewood to Great Oaks and three teachers left) and 12.5% at GO. Support staff turnover at RWS is 14.23% and at GO is 8.77%.

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 transfers to the restricted fixed asset fund and have achieved this for the year to 31 August 2021.

Number of students

The Headteachers lead the schools' marketing strategies. Rosewood Free School currently have 66 pupils on roll expected to rise to 70 by the end of the year. Great Oaks School currently has 247 on the roll. Great Oaks School have two offsite provisions – Green Lane and Harcourt Road. The number of pupils attending these offsite provisions is 68 (4 at Harcourt and 64 at the Green Lane).

Staff absence

The Trustees had requested both schools to monitor staff absence and currently at RWS absence is 15.88%. Sickness absence at GO it is 4.02% but this figure does not include any COVID absence, which was not recorded on the MIS for the period in question.

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.

Going Concern

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

Rosewood School Limited

Trustees' Report

Financial Review

The schools are in a satisfactory financial position. The actuarial report on the Local Government Pension scheme (LGPS) identifies a funding deficit and the schools' proportion of this funding deficit is shown on the balance sheet. Part of this deficit relates to service by staff for employment prior to joining the schools, known as a past service deficit. The Trustees are aware that this is an ongoing liability and not a debt that is due and payable upon demand. A "past service" element will be included in monthly employer contributions following the Fund Valuation in 2019. The "past service" element of contributions is part of a 25 year recovery plan which was put in place following the 2010 Fund Valuation. In the opinion of the Trustees the current level of funding by the schools is sufficient to meet known future pension contributions. This funding level is reviewed on a triennial basis, the next review being in 2022.

Some alterations have been made to the fabric of the school at Rosewood, converting one bathroom into two in order to maintain the risk assessment in place in relation to COVID. Commissioning extra bathroom spaces so that classes do not have to share was key to the success of the risk assessment and to keep learners safe. The teachers' workroom was refurbished to ensure social distancing guidelines could be observed by staff, along with extra cooking and refrigeration facilities in both schools to facilitate staff spacing at lunch times. Extra hand-wash stations have been installed throughout Rosewood school and hand-sanitiser dispensers have been placed at frequent intervals throughout both schools. This expenditure was claimed back in line with ESFA guidance during 2020-21. This, along with appropriate PPE has increased the expenditure of both schools during 2020-21.

There has been expansion at Great Oaks necessitating the conversion of some spaces to extra classrooms which has required capital spend along with the purchase of marquees to provide some outside extra teaching space for students to distance from each other during the height of the pandemic. Again, spend that was appropriate to claim back was reclaimed.

The budget for capital spend on positional equipment has been increased slightly in the forthcoming year as the lack of therapeutic intervention as a result of the lockdown has meant that chairs and other positional equipment need to be changed as needs of the learners have changed.

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

All expenditure is clearly related to the key objectives of the Trust.

The Trust had no outside investments at the end of the financial year.

Rosewood School Limited

Trustees' Report

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 and this will be reviewed in line with the expansion planned at Great Oaks to ensure this level is appropriate.

The reserves at 31 August 2021 were:

- Unrestricted (free) reserves of £308,195 (2020: £266,590)
- A restricted fixed asset fund of £13,248,178 (2020: £13,343,919), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £5,369,000 (2020: £4,123,000)
- Other restricted funds of £nil (2020: £140,424)
- Total funds of £8,187,373 (2020: £9,627,933)

Investment Policy

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

Rosewood School Limited

Trustees' Report

Principal Risks and Uncertainties

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

The Trust has further developed its system of internal control this year, including financial, operational and risk management which is designed to protect the Trust's assets and reputation. The Trust has also committed to a partner to carry out Internal Audit visits at least twice per year, recommended in the Spring and Summer Terms.

Key areas include:

- Government Funding: The Trust has considerable reliance on continued Government and Local Authority funding through the education sector funding bodies. There can be no assurance that Government policy or practice will remain consistent and that funding will continue at these levels, or increase in line with the needs of the school populations. Funding is linked most consistently to student numbers and level of need. The risk is mitigated by:
 - Ensuring the Trust is rigorous in delivering high quality Attainment and Achievement – Rosewood Free School's outcomes are rated outstanding by OFSTED and strong monitoring and evaluation systems are in place to maintain these standards. These outcomes mitigate the risk of reduction of student numbers. Rosewood has had approval to increase APN to 70 from September 2019
 - Great Oaks School are awaiting OFSTED from their previous Ofsted of GOOD. Great Oaks aims to be an outstanding school
 - Maintaining strong recruitment strategies and a quality curriculum offer to attract and maintain student numbers, with the aim of an overall student body of approximately 70 students in Rosewood Free School and 250 in Great Oaks School, rising to 280 in the next academic year as requested by the Local Authority.
- Reputational Risk – strong systems for Safeguarding and Acceptable Use of information technology are in place to allay these risks.
- Health and Safety – strong policies and procedures including risk assessment processes and appropriate training are in place to allay these risks.
- Premises – appropriate insurances are in place to support the Trust against damage or theft to property.
- Pupil Numbers – complex health needs of pupils with life limiting conditions often lead to pupil deaths at Rosewood - this is a risk to the school that cannot be mitigated.

Rosewood School Limited

Trustees' Report

Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through raffles, cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

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

Plans for Future Periods

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

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on the board's behalf by:


Anthony Boyle (Dec 15, 2021 14:02 GMT)

Anthony Boyle
Chair of Trustees

Rosewood School Limited

Governance Statement

Scope of Responsibility

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

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

Governance

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

Full board of trustees meetings 20/21

Name	Type	16.09.20 Virtual	02.12.20 Virtual	10.02.21 Virtual	05.05.21 Virtual	07.07.21 Virtual
Tony Boyle	Member & Trustee	✓	✓	✓	✓	✓
Liz McCaughey	Member & Trustee	✓	✓	✓	✓	✓
Nick Le Provost	Trustee	✓	✓	✓	✓	✓
Sue Williams	Trustee	✓	✓	✓	✓	✗
Juno Hollyhock	Trustee	✓	✓	✓	✗	✓
Scott Ashmore	Trustee	✗	✓	✓	✗	✓
Malcolm Smith	Trustee	✗	✓	✓	✓	✓
Rosemary Gregory	Trustee	✓	✓	✓	✓	✓
Zoe Evans	Trustee & HT	✓	✓	✓	✓	✓
Andy Evans	Trustee & HT	✓	✓	✓	✓	✓

The Chair of Trustees and Chair of Governors have been in regular contact with the Head teachers of each school. An additional piece of work was completed by the Chair of trustees and Chair of Rosewood Governing Body looking at the funding implications for Rosewood School. A meeting was then held with Southampton LA.

As the board met less than six times in the year, effective oversight of funds was maintained through the work of the Finance and Audit Committee.

Governance Review

The Governance structure of the MAT has been strengthened over. Following a skills audit a clear structure of accountability between Governors and Trustees was been developed and is being followed. Local governing bodies have a clear focus on standards of teaching and learning but also have a standing item of questions to and from the Trustees which is them mirrored in the Trustee meeting format.

Rosewood School Limited

Governance Statement

Governance (continued)

The Trust has a permanent Clerk, procured via Hampshire Governor Services, who has been able to ensure due process; the overall organisation of Trustee communication has remained with the Headteachers and Chief Financial Officer.

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

Finance and Audit Committee meetings 2020/2021

The Finance and Audit 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
Zoé Evans (Headteacher and Accounting Officer)	5	6
Malcolm Smith	5	6
Andy Evans	6	6
Scott Ashmore (Chair)	4	6

Review of Value for Money

As Accounting Officer the chief executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Working closely with Trustees to reform the Business Leadership Structure
- Working with Trustees to raise awareness and present to the Local Authority funding forecasts
- Working with both an SRMA and an external body to review internal financial control measures

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rosewood School Limited for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Rosewood School Limited

Governance Statement

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from School Business Management Services. Due to the Covid-19 pandemic audits were mostly carried out remotely, in line with the Risk Assessments in place.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. Areas covered during 2020-21 were:

- Risk Management
- Financial Policies and Procedures
- Governance
- Financial Reporting and Strategic Financial Planning
- Payroll
- Income and Debt Management
- AFH Compliance and ESFA Submissions
- Procurement/Purchasing
- Capital

The findings and remedial actions can be seen in the table below, which shows the points raised assigned the highest level of importance:

Rosewood School Limited

Governance Statement

The Risk and Control Framework (continued)

Area of Review	Overall Opinion	Recommendation(s)	H/M/L	Management Response (Including Action Plan / Timescales)	Responsible	Timescale
Risk Management	A Risk Register is in place, but it is incomplete and there is no formal risk management strategy to compliment the register and provide details of how the Trust manages and reviews it risks and an explanation of the scoring matrix used. A number of amendments and suggested additions have been supplied. There is insufficient evidence of an appropriate level of risk review and risk management by the Trustees.	A Risk Management Strategy needs to be developed to compliment the register and provide details of scoring matrix. Review of risk register is required and minutes should reflect appropriate level of monitoring, discussion and risk management.	H	Risk Register has been amended and updated and shared with BLT to share onward to their committees for discussion and agreement	BLT	Dec-21
Governance	The governance structure does not provide adequate separation between Members, Trustees, Local Governing Bodies and Senior Leaders. Websites are not accurate and up to date and do not meet the statutory requirements of AFH.	The governance structure should be urgently reviewed to ensure adequate separation between Members, Trustees, Local Governing Bodies and Senior Leaders.	H	Governance structure has been reviewed and amended and are now AFH compliant	All	Sep-21
	The Scheme of Delegation does not clearly show appropriate delegations across all levels of governance although it has been approved and is published. Terms of reference are incomplete and do not reflect delegations detailed in other documentation. A number of amendments and additions were supplied as part of the audit report. Membership of committees should be reviewed to ensure sufficient level of Trustee involvement. Meeting minutes are generally of poor quality. They contain errors and do not provide evidence of an appropriate level of support and challenge. They do not reflect appropriate approvals processes. It was not possible to establish if there was an effective Trustee induction process. A skills audit was last carried out in 2019 and gaps highlighted included Education, Health and Safety and IT. Trustees have minuted they require additional support and training in eight areas but there is no evidence to suggest these weaknesses have been addressed via training.	Review of Scheme of Delegation, Terms of Reference needed to ensure they contain consistent and accurate information and are AFH compliant.	H	A review of the AFH will be carried out early in 2021-22 academic year and the Business Leadership Team will ensure that all documentation is AFH Compliant	BLT	Dec-21
Financial reporting and Strategic Financial Planning	Initial review of monthly management reports revealed that they were inadequate and did not meet the requirements of the AFH. However, these issues have been addressed during the year and the second audit confirmed that Trustees were now receiving appropriate and consistent financial data although issues around the reconciliation of the balance sheet meant this was not provided.	The format of management reports needs to be improved to ensure consistent, accurate information is provided to Trustees and that reports are compliant with AFH requirements.	H	Improvements to management reports format and content have taken place during the year, CFO has resolved Balance Sheet discrepancies and will provide Trustees with fully AFH compliant reports.	JF	Oct-21
	Meeting agendas still need to ensure that all available management reports are discussed at meetings. The annual timetable of meetings needs to be reviewed to ensure the dates of meeting allow sufficient time for reports to be produced so that Trustees can review more up to date information.	The annual timetable of Trustee meetings should be reviewed to ensure the latest financial information is available for monitoring. Trustees should review all available reports and minutes should reflect these discussions.	H	All management reports are discussed at meetings now rather than just the most up to date ones	JF	Sep-21
	There appeared to be some initial confusion around the budget setting and monitoring process which have been resolved during the year. There is evidence of comprehensive information being provided to Trustees to allow them to make strategic decisions during the latter part of the year. Minutes do not always reflect these discussions.	Ensure budget setting and approval process is relevant to July BFR deadlines.	H	Budget setting and 3 year plans approval process for July BFR in place.		Sep-21
Payroll	Payroll administration is consistent with procedures in the Trust Finance Manual although there needs to be further clarity over the responsibilities for approving staffing structures. There is an appropriate segregation of duties throughout the payroll process and appropriate checks and authorisations take place prior to payments being made. Third party payments are made accurately and on time. Monitoring of actual staffing costs to budgets on an individual basis takes place monthly and updated staffing cost forecasts are used in monthly management reporting.	The responsibility for the approval of the Trust staffing structure must be clarified and all relevant documentation reviewed and updated to ensure consistency.	H	Starters and leavers information will be included in the monthly management reports to ensure Trustees are aware of staffing changes. The relevant policy documentation will be checked and amended appropriately	BLT	Nov-21
	Staff claims for overtime and travel are often made extremely late, some for significant sums of money and over financial year ends.	Deadlines for the submission of travel and expense claims should be imposed to prevent inaccurate reporting.	H	Finance Team are sending out reminders to all staff regularly to submit their expense claims in good time.	All	Sep-21
	There are a large number of purchases made online via personal accounts held by staff members with delivery of goods to home addresses which is inappropriate and this was highlighted on previous external audits. A number of staff also paid for online training courses and then submitted claims. This is also inappropriate. Bookings should be made centrally by the Trust.	Online purchases from staff accounts and delivery to staff	H	Each instance of good delivered to home addresses is discussed with the member of staff as it happens to stop the practice.	All	Sep-21
Income and Debt Management	There are a large number of purchases made online via personal accounts held by staff members with delivery of goods to home addresses which is inappropriate and this was highlighted on previous external audits. A number of staff also paid for online training courses and then submitted claims. This is also inappropriate. Bookings should be made centrally by the Trust.	A formal debt management process needs to be developed and documented either in the Finance Manual or in a separate policy.	H	The procedure will be documented during 2021-22 and the Finance Manual updated. This task is included in the new Finance Tasks Calendar monthly checklist and notes of actions will be kept for evidence purposes	Finance T	Dec-21
	Year-end adjustments should be checked for accuracy.	Year-end adjustments should be checked for accuracy.	H	Year End adjustments will be compared to previous year and explanations given for differences	JF	Year End
Academies Financial Handbook (AFH) compliance and ESFA submissions	A number of financial policies were reviewed and amendments and additions provided as part of the audit report. Many policies needed updating and expanding to provide consistent and accurate information and a number were overdue for re-approval.	Review and update documentation to ensure AFH compliance as per suggestions in audit reports. Update websites.	H	Documentation will be reviewed after review of AFH by the Business Leadership Team and all points will be addressed and documentation and websites updated accordingly	BLT	Dec-21
	Ensure Balance Sheet provided to Trustees as part of management reports.	Ensure Balance Sheet provided to Trustees as part of management reports.	H	Balance Sheets are provided to Trustees as part of the Management reports	JF	Jul-21
	Improve quality of minutes to ensure accuracy.	Improve quality of minutes to ensure accuracy.	H	There has been a change of Clerk for meetings. Clerks provided by Hampshire Clerking services		Sep-21
Procurement/Purchasing	There are discrepancies between the Trust documentation relating to authorisation limits and procurement processes. The Financial Manual and Delegated Authority Policy are inconsistent, and a review would ensure that limits are realistic and that they reflect the process Trustees expect. There is clear evidence that orders, invoices and payments are being authorised and that there is an appropriate segregation of duties, but documentation to back this up needs to be clarified.	Relevant documentation needs to be reviewed and updated to ensure consistency and to ensure that authorisation levels are appropriate.	H	Documents will be reviewed and amended accordingly	BLT	Dec-21
	Finance team to ensure control accounts are reconciled before final trial balances are sent to external auditors.	Finance team to ensure control accounts are reconciled before final trial balances are sent to external auditors.	H	Control Accounts were reconciled for Year End 2020-21. This is a requirement of the monthly checklist for the Finance Team and must be carried out monthly and discrepancies discussed	Finance T	Sep-21
	A previous issue with VAT claims being submitted late during the early part of the year has now been resolved following a change in staffing levels. The treatment of VAT appears to be appropriate although control accounts will need to be cleared of historic balances ahead of the annual audit.		H	Control Accounts were reconciled for Year End 2020-21 and the small balances remaining will be adjusted in the next available VAT return	Finance T	Sep-21

On a termly basis, the auditor reports to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Rosewood School Limited

Governance Statement

Review of Effectiveness

As Accounting Officer the Headteacher of Rosewood Free School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on its behalf by:


Anthony Boyle (Dec 15, 2021 14:02 GMT)

Anthony Boyle
Chair of Trustees


Zoe Evans (Dec 15, 2021 14:06 GMT)

Zoé Evans
Accounting Officer

Rosewood School Limited

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Rosewood School Limited I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.


Zoé Evans (Dec 15, 2021 14:06 GMT)

Zoé Evans
Accounting Officer
8 December 2021

Rosewood School Limited

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- 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 8 December 2021 and signed on its behalf by:


Anthony Boyle (Dec 15, 2021 14:02 GMT)

Anthony Boyle
Chair of Trustees

Rosewood School Limited

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

Opinion

We have audited the financial statements of Rosewood School Limited ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Rosewood School Limited

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Rosewood School Limited

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

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academies Financial Handbook 2020, and the Academies Accounts Direction 2020 to 2021.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

Rosewood School Limited

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

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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 Independent Auditor's Report.

Use of our report

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

David Brookes

David Brookes (Dec 17, 2021 13:26 GMT)

D Brookes FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

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

Date 17/12/2021

Rosewood School Limited

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

In accordance with the terms of our engagement letter dated 20 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rosewood School Limited during the period 1 September 2020 to 31 August 2021 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 the Rosewood School Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rosewood School Limited's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Rosewood School Limited's funding agreement with the Secretary of State for Education dated 24 August 2017 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Rosewood School Limited

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (effective from 1 September 2020) (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

Rosewood School Limited

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Brookes
David Brookes (Dec 17, 2021 13:26 GMT)

D Brookes FCA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 17/12/2021

Rosewood School Limited

Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
Income and endowments from:							
Donations and capital grants	2	9,130	-	-	46,732	55,862	68,099
Charitable activities:							
Funding for the academy							
trust's educational operations	3	-	7,275,952	-	-	7,275,952	6,586,782
Other trading activities	4	50,175	22,869	-	-	73,044	79,215
Investments	5	876	-	-	-	876	2,552
Total		60,181	7,298,821	-	46,732	7,405,734	6,736,648
Expenditure on:							
Raising funds	6	-	76,010	-	-	76,010	67,693
Charitable activities:							
Academy trust educational operations	7	-	7,183,788	916,000	340,496	8,440,284	7,423,456
Total		-	7,259,798	916,000	340,496	8,516,294	7,491,149
Net income / (expenditure)		60,181	39,023	(916,000)	(293,764)	(1,110,560)	(754,501)
Transfers between funds	17	(18,576)	(179,447)	-	198,023	-	-
Other recognised gains / (losses):							
Actuarial losses on defined benefit pension schemes	25	-	-	(330,000)	-	(330,000)	(929,000)
Net movement in funds		41,605	(140,424)	(1,246,000)	(95,741)	(1,440,560)	(1,683,501)
Reconciliation of funds							
Total funds brought forward		266,590	140,424	(4,123,000)	13,343,919	9,627,933	11,311,434
Total funds carried forward		308,195	-	(5,369,000)	13,248,178	8,187,373	9,627,933

The notes on pages 31 to 56 form part of these financial statements.

Rosewood School Limited

Balance Sheet as at 31 August 2021

Company Number 07667999

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		13,248,178		13,343,919
Current assets					
Stock	13	11,668		9,027	
Debtors	14	690,434		526,888	
Investments	15	50,000		50,000	
Cash at bank and in hand		1,249,081		1,242,543	
		<u>2,001,183</u>		<u>1,828,458</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(1,692,988)</u>		<u>(1,421,444)</u>	
Net current assets			<u>308,195</u>		<u>407,014</u>
Total assets less current liabilities			13,556,373		13,750,933
Defined benefit pension scheme liability	25		(5,369,000)		(4,123,000)
Total net assets			<u>8,187,373</u>		<u>9,627,933</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	13,248,178		13,343,919	
Restricted income fund	17	-		140,424	
Pension reserve	17	<u>(5,369,000)</u>		<u>(4,123,000)</u>	
Total restricted funds			7,879,178		9,361,343
Unrestricted income funds	17		308,195		266,590
Total funds			<u>8,187,373</u>		<u>9,627,933</u>

The financial statements on pages 28 to 56 were approved by the trustees and authorised for issue on 8 December 2021 and are signed on their behalf by:

Anthony Boyle

Anthony Boyle (Dec 15, 2021 14:02 GMT)

Anthony Boyle
Chair of Trustees

The notes on pages 31 to 56 form part of these financial statements.

Rosewood School Limited

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	203,685	778,302
Cash flows from investing activities	21	(197,147)	(234,609)
Change in cash and cash equivalents in the reporting period		<u>6,538</u>	<u>543,693</u>
Cash and cash equivalents at 1 September 2020		1,242,543	698,850
Cash and cash equivalents at 31 August 2021	22	<u>1,249,081</u>	<u>1,242,543</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

Income (continued)

- **Other Income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- **Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)**
Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Expenditure

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

Tangible Fixed Assets

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

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

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

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

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

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

Provisions

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

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

Leased Assets

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

Current asset investments

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

Financial Instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

Taxation

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

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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

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

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

Fund Accounting

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

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

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 25.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	22,732	22,732	17,066
Donated fixed assets	-	24,000	24,000	-
Other donations	9,130	-	9,130	51,033
	<u>9,130</u>	<u>46,732</u>	<u>55,862</u>	<u>68,099</u>
Total 2020	<u>50,683</u>	<u>17,416</u>	<u>68,099</u>	

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	3,253,154	3,253,154	3,035,852
Pupil Premium	-	87,271	87,271	97,342
UIFSM	-	5,115	5,115	4,654
Rates reclaim	-	1,076	1,076	11,810
PE and sports grant	-	16,260	16,260	16,230
Year 7 catch up grant	-	(379)	(379)	28,486
Teachers' pay grant	-	32,666	32,666	-
Teachers' pension grant	-	90,524	90,524	-
Other DfE grants	-	21,620	21,620	217,512
	-	3,507,307	3,507,307	3,411,886
Other government grants				
Local authority grants	-	3,504,163	3,504,163	3,090,437
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	76,800	76,800	-
Summer schools programme fund	-	18,252	18,252	-
Other DfE/ESFA Coronavirus funding	-	84,974	84,974	-
	-	180,026	180,026	-
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	22,510	22,510	-
Other income from the Academy Trust's educational operations				
Other income	-	61,946	61,946	84,459
	-	7,275,952	7,275,952	6,586,782
Total 2020	-	6,607,782	6,607,782	

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations (continued)

Following the reclassification of some grants received from the Department for Education and the ESFA in the Academies Accounts Direction 2020/21, the Academy Trust's funding for UIFSM, Rates reclaim, PE and sports grant, and Year 7 catch up grant are no longer reported under the General Annual Grant (GAG) and Other DfE grants headings, but as separate lines under the DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £76,800 of funding for catch-up premium and costs incurred in respect of this funding also totalled £76,800.

The Academy Trust received other Coronavirus funding in respect of mass testing funding and emergency support funding.

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	469	-	469	5,262
Uniform income	7,239	-	7,239	2,711
Catering income	-	22,869	22,869	21,000
Consultancy income	10,503	-	10,503	900
Other trading income	31,964	-	31,964	49,342
	<u>50,175</u>	<u>22,869</u>	<u>73,044</u>	<u>79,215</u>
Total 2020	<u>58,215</u>	<u>21,000</u>	<u>79,215</u>	

5 Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	<u>876</u>	<u>-</u>	<u>876</u>	<u>2,552</u>
Total 2020	<u>2,552</u>	<u>-</u>	<u>2,552</u>	

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2020/21 £	Total 2019/20 £
		Premises £	Other £		
Expenditure on raising funds	-	-	76,010	76,010	67,693
Academy's educational operations:					
Direct costs	5,624,864	-	616,892	6,241,756	5,506,021
Allocated support costs	1,534,534	423,475	240,519	2,198,528	1,917,435
	<u>7,159,398</u>	<u>423,475</u>	<u>933,421</u>	<u>8,516,294</u>	<u>7,491,149</u>
Total 2020	<u>6,285,252</u>	<u>411,161</u>	<u>794,736</u>	<u>7,491,149</u>	

Net income/(expenditure) for the period includes:

	2020/21 £	2019/20 £
Operating lease rentals	12,099	3,467
Depreciation	350,857	325,576
(Gain)/loss on disposal of fixed assets	(10,361)	-
Fees payable to auditor for:		
Audit	8,255	8,060
Other services	<u>5,020</u>	<u>5,586</u>

Included within expenditure are the following transactions:

	Amount £	Individual items	
		Amount £	Reason
Ex-gratia payments	2,000	2,000	Honoraria

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

7 Charitable activities

	2020/21 Total £	2019/20 Total £
Direct costs	6,241,756	5,506,021
Support costs	2,198,528	1,917,435
	<u>8,440,284</u>	<u>7,423,456</u>

Analysis of support costs:

	Educational operations £	2020/21 Total £	2019/20 Total £
Support staff costs	1,534,534	1,534,534	1,302,761
Technology costs	43,157	43,157	25,126
Premises costs	423,475	423,475	411,161
Other support costs	183,448	183,448	163,641
Governance costs	13,914	13,914	14,746
Total support costs	<u>2,198,528</u>	<u>2,198,528</u>	<u>1,917,435</u>
Total 2020		<u>1,917,435</u>	<u>1,917,435</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

8 Staff

a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	4,829,232	4,311,944
Social security costs	419,985	359,333
Pension costs	1,858,171	1,505,013
	<u>7,107,388</u>	<u>6,176,290</u>
Agency staff costs	52,010	108,962
	<u>7,159,398</u>	<u>6,285,252</u>

b) Staff numbers

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

	2020/21	2019/20
	No.	No.
Teachers	56	47
Administration and support	198	176
Management	7	8
	<u>261</u>	<u>231</u>

c) Higher paid staff

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

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £697,669 (2020: £693,297).

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

9 Related Party Transactions – Trustees’ remuneration and expenses

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

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

		2020/21	2019/20
		£000	£000
Zoé Evans	Remuneration	80-85	75-80
(CEO and Accounting Officer)	Employer’s pension contributions paid	15-20	15-20
Andy Evans	Remuneration	90-95	90-95
(Head Teacher (trustee to 23 July 2021))	Employer’s pension contributions paid	20-25	10-15

During the period ended 31 August 2021, no trustees received any reimbursement of expenses (2020: none).

10 Trustees and officers insurance

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

11 Central Services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2020	14,331,533	348,135	119,401	115,420	14,914,489
Acquisitions	42,864	127,338	75,195	12,458	257,855
Disposals	-	(2,317)	-	(11,883)	(14,200)
At 31 August 2021	<u>14,374,397</u>	<u>473,156</u>	<u>194,596</u>	<u>115,995</u>	<u>15,158,144</u>
Depreciation					
At 1 September 2020	1,157,299	241,922	84,000	87,349	1,570,570
Charged in year	261,788	45,634	29,685	13,750	350,857
Disposals	-	(34)	-	(11,427)	(11,461)
At 31 August 2021	<u>1,419,087</u>	<u>287,522</u>	<u>113,685</u>	<u>89,672</u>	<u>1,909,966</u>
Net book values					
At 31 August 2020	13,174,234	106,213	35,401	28,071	13,343,919
At 31 August 2021	<u>12,955,310</u>	<u>185,634</u>	<u>80,911</u>	<u>26,323</u>	<u>13,248,178</u>

13 Stock

	2020/21 £	2019/20 £
Other stocks	<u>11,668</u>	<u>9,027</u>

14 Debtors

	2020/21 £	2019/20 £
Trade debtors	387,742	289,299
VAT recoverable	52,465	34,297
Other debtors	9,374	26,074
Prepayments and accrued income	240,853	177,218
	<u>690,434</u>	<u>526,888</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

15 Current asset investments

	2020/21	2019/20
	£	£
Bank deposits	50,000	50,000

16 Creditors: amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	82,185	73,731
Other taxation and social security	104,787	84,310
Other creditors falling due within one year	125,744	145,150
Accruals and deferred income	1,380,272	1,118,253
	<u>1,692,988</u>	<u>1,421,444</u>

	2020/21	2019/20
	£	£
Deferred income at 1 September 2020	1,031,341	1,014,287
Released from previous years	(1,031,341)	(1,014,287)
Resources deferred in the year	1,332,757	1,031,341
Deferred income at 31 August 2021	<u>1,332,757</u>	<u>1,031,341</u>

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	140,424	3,253,154	(3,214,131)	(179,447)	-	-
Pupil premium	-	87,271	(87,271)	-	-	-
UIFSM	-	5,115	(5,115)	-	-	-
Rates reclaim	-	1,076	(1,076)	-	-	-
PE and sports grant	-	16,260	(16,260)	-	-	-
Year 7 catch up grant	-	(379)	379	-	-	-
Teachers' pay grant	-	32,666	(32,666)	-	-	-
Teachers' pension grant	-	90,524	(90,524)	-	-	-
Other DfE grants	-	21,620	(21,620)	-	-	-
Local authority grants	-	3,504,163	(3,504,163)	-	-	-
Catch-up premium	-	76,800	(76,800)	-	-	-
Summer schools programme	-	18,252	(18,252)	-	-	-
Other DfE/ESFA C-19 funding	-	84,974	(84,974)	-	-	-
Other Coronavirus funding	-	22,510	(22,510)	-	-	-
Other educational activities	-	84,815	(84,815)	-	-	-
	140,424	7,298,821	(7,259,798)	(179,447)	-	-
Pension reserve	(4,123,000)	-	(916,000)	-	(330,000)	(5,369,000)
	<u>(3,982,576)</u>	<u>7,298,821</u>	<u>(8,175,798)</u>	<u>(179,447)</u>	<u>(330,000)</u>	<u>(5,369,000)</u>
Restricted fixed asset funds						
Fixed asset fund	13,343,919	-	(340,496)	244,755	-	13,248,178
ESFA capital grants (DFC)	-	22,732	-	(22,732)	-	-
Donated fixed assets	-	24,000	-	(24,000)	-	-
	<u>13,343,919</u>	<u>46,732</u>	<u>(340,496)</u>	<u>198,023</u>	<u>-</u>	<u>13,248,178</u>
Total restricted funds	<u>9,361,343</u>	<u>7,345,553</u>	<u>(8,516,294)</u>	<u>18,576</u>	<u>(330,000)</u>	<u>7,879,178</u>
Total unrestricted funds	<u>266,590</u>	<u>60,181</u>	<u>-</u>	<u>(18,576)</u>	<u>-</u>	<u>308,195</u>
Total funds	<u>9,627,933</u>	<u>7,405,734</u>	<u>(8,516,294)</u>	<u>-</u>	<u>(330,000)</u>	<u>8,187,373</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

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

General annual grant

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

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

Transfers between funds

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2020/21	2019/20
	£	£
Rosewood School	378,338	415,249
Great Oaks School	(70,143)	(8,235)
Total before fixed assets and pension reserve	<u>308,195</u>	<u>407,014</u>
Restricted fixed asset fund	13,248,178	13,343,919
Pension reserve	(5,369,000)	(4,123,000)
Total	<u>8,187,373</u>	<u>9,627,933</u>

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

	£
Great Oaks School	<u>70,143</u>

To return Great Oaks School to a surplus position during the 2021-22 academic year, the leadership team is pursuing additional 1:1 funding in order to ensure we are able to cover costs of supporting young people with the most complex needs. Great Oaks has an increased pupil intake in 2021-22 and the additional funding that goes along with this will help towards extra costs incurred. Great Oaks has increased the HLTA training to reduce the cost of buying in external cover for teachers' time out of class, and an extra minibus has been purchased in order to reduce the cost of vehicle hire and taxi costs. These measures, along with careful control over all other expenditure, will return the academy to a surplus position.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. dep- reciation) £	2020/21 Total £	2019/20 Total £
Rosewood School	1,529,675	1,298,559	42,284	268,742	3,139,260	2,184,852
Great Oaks School	4,095,189	235,975	223,751	471,262	5,026,177	4,980,721
	<u>5,624,864</u>	<u>1,534,534</u>	<u>266,035</u>	<u>740,004</u>	<u>8,165,437</u>	<u>7,165,573</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	282,026	3,035,852	(2,940,293)	(237,161)	-	140,424
Pupil premium	-	97,342	(97,342)	-	-	-
UFSM	-	4,654	(4,654)	-	-	-
Rates reclaim	-	11,810	(11,810)	-	-	-
PE and sports grant	-	16,230	(16,230)	-	-	-
Year 7 catch up grant	-	28,486	(28,486)	-	-	-
Other DfE grants	-	217,512	(217,512)	-	-	-
Local authority grants	-	3,090,437	(3,090,437)	-	-	-
Other educational activities	-	105,809	(105,809)	-	-	-
	<u>282,026</u>	<u>6,608,132</u>	<u>(6,512,573)</u>	<u>(237,161)</u>	<u>-</u>	<u>140,424</u>
Pension reserve	(2,541,000)	-	(653,000)	-	(929,000)	(4,123,000)
	<u>(2,258,974)</u>	<u>6,608,132</u>	<u>(7,165,573)</u>	<u>(237,161)</u>	<u>(929,000)</u>	<u>(3,982,576)</u>
Restricted fixed asset funds						
Fixed asset fund	13,415,268	-	(325,576)	254,227	-	13,343,919
ESFA capital grants (DFC)	-	17,066	-	(17,066)	-	-
	<u>13,415,268</u>	<u>17,066</u>	<u>(325,576)</u>	<u>237,161</u>	<u>-</u>	<u>13,343,919</u>
Total restricted funds	<u>11,156,294</u>	<u>6,625,198</u>	<u>(7,491,149)</u>	<u>-</u>	<u>(929,000)</u>	<u>9,361,343</u>
Total unrestricted funds	<u>155,140</u>	<u>111,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,590</u>
Total funds	<u>11,311,434</u>	<u>6,736,648</u>	<u>(7,491,149)</u>	<u>-</u>	<u>(929,000)</u>	<u>9,627,933</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

18 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	13,248,178	13,248,178
Current assets	308,195	1,692,988	-	-	2,001,183
Current liabilities	-	(1,692,988)	-	-	(1,692,988)
Pension scheme liability	-	-	(5,369,000)	-	(5,369,000)
Total net assets	308,195	-	(5,369,000)	13,248,178	8,187,373

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

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

19 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020/21	2019/20
	£	£
Amounts due within one year	19,759	3,660
Amounts due between one and five years	56,435	7,295
	<u>76,194</u>	<u>10,955</u>

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

	2020/21	2019/20
	£	£
Net expenditure for the reporting period	(1,110,560)	(754,501)
Adjusted for:		
Depreciation	350,857	325,576
(Gain)/loss on disposal of fixed assets	(10,361)	-
Capital grants from DfE and other capital income	(46,732)	(17,066)
Interest receivable	(876)	(2,552)
Defined benefit pension scheme cost less contributions payable	850,000	609,000
Defined benefit pension scheme finance cost	66,000	44,000
Increase in stocks	(2,641)	(9,027)
(Increase) / decrease in debtors	(163,546)	524,179
Increase in creditors	271,544	58,693
Net cash provided by Operating Activities	<u>203,685</u>	<u>778,302</u>

21 Cash flows from investing activities

	2020/21	2019/20
	£	£
Dividends, interest and rents from investments	876	2,552
Proceeds from sale of tangible fixed assets	13,100	-
Purchase of tangible fixed assets	(233,855)	(254,227)
Capital grants from DfE Group	22,732	17,066
Net cash used in investing activities	<u>(197,147)</u>	<u>(234,609)</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

22 Analysis of cash and cash equivalents

	2020/21	2019/20
	£	£
Cash at bank and in hand	<u>1,249,081</u>	<u>1,242,543</u>

23 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2021 £
Cash	1,242,543	6,538	-	-	-	1,249,081
Total	<u>1,242,543</u>	<u>6,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,249,081</u>

24 Members liability

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

25 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £125,340 were payable to the schemes at 31 August 2021 (2020: £100,254) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

25 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £531,765 (2020: £458,013).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was as follows:

	2021	2020
	£	£
Employer's contributions	508,000	469,000
Employees' contributions	153,000	130,000
	<u>661,000</u>	<u>599,000</u>

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions

	2021	2020
Rate of increase in salaries	3.6%	3.3%
Rate of increase for pensions in payment/inflation	2.6%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	<u>2.6%</u>	<u>2.3%</u>

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

	2021	2020
Retiring today		
Males	23.1	23.0
Females	<u>25.5</u>	<u>25.5</u>
Retiring in 20 years		
Males	24.8	24.7
Females	<u>27.3</u>	<u>27.2</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

25 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2021	2020
	£	£
Discount rate +0.1%	(310,000)	(236,000)
Discount rate -0.1%	310,000	236,000
Mortality assumption – 1 year increase	410,000	295,000
Mortality assumption – 1 year decrease	<u>(399,000)</u>	<u>(295,000)</u>

The Academy Trust's share of the assets in the scheme were:

	2021	2020
	£	£
Equities	3,308,000	2,440,000
Gilts	1,017,000	835,000
Property	343,000	258,000
Cash	46,000	69,000
Other	1,000,000	702,000
Total market value of assets	<u>5,714,000</u>	<u>4,304,000</u>

The actual return on scheme assets was £829,000 (2020: £229,000).

Amount recognised in the Statement of Financial Activities

	2020/21	2019/20
	£	£
Current service cost	1,358,000	1,078,000
Interest income	(78,000)	(73,000)
Interest cost	144,000	117,000
Total amount recognised in the SOFA	<u>1,424,000</u>	<u>1,122,000</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

25 Pension and similar obligations (continued)

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

	2020/21	2019/20
	£	£
At 1 September	8,427,000	6,187,000
Current service cost	1,358,000	1,078,000
Interest cost	144,000	117,000
Employee contributions	153,000	130,000
Actuarial loss	1,081,000	1,085,000
Benefits paid	(80,000)	(170,000)
At 31 August	<u>11,083,000</u>	<u>8,427,000</u>

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

	2020/21	2019/20
	£	£
At 1 September	4,304,000	3,646,000
Interest income	78,000	73,000
Actuarial gain	751,000	156,000
Employer contributions	508,000	469,000
Employee contributions	153,000	130,000
Benefits paid	(80,000)	(170,000)
At 31 August	<u>5,714,000</u>	<u>4,304,000</u>

Rosewood School Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

26 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Rose Road Association – a charitable company in which Z Evans (Accounting Officer) is a trustee, and in which J Hollyhock (trustee) is CEO:

- The academy trust purchased services from The Rose Road Association totalling £60,294 (2020: £13,667) during the period. £3,648 (2020: £8,398) was outstanding to The Rose Road Association at 31 August 2021.
- The academy trust made sales to The Rose Road Association totalling £19,886 (2020: £7,119) during the period. £2,186 (2020: £206) was outstanding from The Rose Road Association at 31 August 2021.
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Z Evans and J Hollyhock neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2020.
- The element above £2,500 has been provided 'at no more than cost' and The Rose Road Association has provided a statement of assurance confirming this.

Avenues College Limited – a charitable company in which Z Evans (Accounting Officer) is a trustee:

- The academy trust made sales to Avenues College Limited totalling £153,670 (2020: £102,857) during the period. £39,969 (2020: £151,002) was outstanding from Avenues College Limited at 31 August 2021.