

The Rosedale Hewens Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2013

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Company Registration Number:
07683702 (England and Wales)

The Rosedale Hewens Academy Trust

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The Rosedale Hewens Academy Trust

Reference and Administrative Details

The Company Members

Beverley Amos*
Clive Neathey*
Niela Bamber

The Academy Board

Chairman of the Board
Chief Executive (Director)
Director
Director (appointed 1 1 13)
Director
Director
Director (appointed 21 5 13)
Director (resigned 31 12 12)
Director (resigned 31 5 13)

Beverley Amos*
Clive Neathey*
Ian O'Connor*
Jane Ellis*
Niela Bamber
Foluso Dawodo
David Roberts*
Joanne Harper
Debra Kearne-Smith

Clerk
Company Secretary
Responsible Officer

Susan Neave
Susan Galloway
David Roberts

Rosedale College Local Advisory Body

Chair of Governors (and parent governor-Resigned 31 7 13)
Principal and Governor
Executive Principal and Governor
Co-opted Governor
Parent Governor

Nick Manthorpe
Heidi Faure
Ian O'Connor*
Phoday Jarjussey
Foluso Dowodo

Hewens College Local Advisory Body

Chair of Governors
Principal and Governor
Executive Principal and Governor
Staff Governor
Co-opted Governor
Parent Governor (resigned 31 7 13)
Parent Governor

Beverley Amos*
Helen Thomas
Ian O'Connor*
Rachel Wall
Peter Curling
Nicholas Manthorpe
Vacancy

Parkside Studio College

Chair of Governors
Headteacher and Governor (resigned 31 12 12)
Headteacher and Governor
Executive Principal and Governor
Co-opted Governor (resigned 31 3 13)
Co-opted Governor
Co-opted Governor
Parent Governor
Parent Governor

Nicole Heard
Richard Booth
Joe Howlett
Ian O'Connor*
Ray Fisher
Subhabrata Bhattacharya
Guy Westhead
Susan Stubbings
Nichola Jones

Rosedale Primary School Local Advisory Body

Chair of Governors (and Co-opted Governor)
Headteacher and Governor
Executive Headteacher and Governor
Co-opted Governor
Parent Governor
Parent Governor

Gill Bennett
Niela Bamber
Jane Ellis*
Debra Smith
Assana Taib
Kamaljeet Dhalwal

The Rosedale Hewens Academy Trust

Reference and Administrative Details

Brookside Primary School Local Advisory Body

Chair of Governors (resigned 31 7 13)
Chair of Governors (parent governor effective from 1 9 13)
Headteacher and Governor
Executive Headteacher and Governor
Co-opted Governors
Co-opted Governors
Parent Governor

Paul Eccles
Sadiq Noor
Daniel Bishop
Jane Ellis*
Vacancy
Vacancy
Zainab Jamil

Hewens Primary School (opening 1st September 2013)

Chair of Governors (Co-opted Governor)
Headteacher and Governor
Executive Headteacher and Governor
Co-opted Governor
Parent Governor
Parent Governor

Maureen Atkinson
Lorna Anderton
Jane Ellis*
Karen Weston
Mina Elliott
Brahim Saadi

* Members of the Finance and Pay Committee

Principal and Registered Office

The Rosedale Hewens Academy Trust
Wood End Green Road,
Hayes, Middlesex, UB3 2SE

Company Registration Number

07683702 (England and Wales)

Independent Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers

HSBC Bank
2 Station Road
Hayes
Middlesex
UB3 4BY

Solicitors

Harrison Clark Rickerbys Ltd
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

The Academy Board present their annual report together with the financial statements and auditors' report of the Academy Trust for the year ended 31 August 2013

Structure, Governance and Management

Constitution

The Rosedale Hewens Academy Trust is a company ("the company") limited by guarantee with charitable status within the meaning of Section 12 of the Academies Act 2010. The Memorandum and Articles of Association are the primary governing documents of the Academy Board ("the Board"). Directors are appointed to the Academy Board by Members of the Company as principal sponsor, or by the Secretary of State for Education.

Members of the Company, who are also referred to as 'Trustees' (under charity law), and 'Directors' (under company law), may also serve as governors on individual Local Advisory Bodies (LABs). Details of these individuals, which are included in the Reference and Administrative information on pages 1 and 2, served throughout the financial year to which this report relates, with the exception of those noted.

Members' Liability

Each member of the Academy Trust 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, Directors and Governors' Indemnities

The Rosedale Hewens Academy Trust ("The Trust") has taken out professional indemnity insurance which provides cover for Trustees, Directors and Governors regarding liabilities arising from acts of neglect, errors and/or omissions committed in good faith. In addition it has taken out fidelity guarantee insurance to cover losses caused by the dishonesty of the above individuals. Both of these policies have maximum insured limits, reviewed on an annual basis, as required by the Companies Act 2006 Section 236.

Principal Activities

The principal object and activity of The Trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools (the Academies) offering a broad and balanced curriculum.

Recruitment, Election, Appointment, Induction and Training of Governors

Members of the Company can also be charitable Trustees and Company Directors. Directors are appointed by a unanimous resolution of the existing Members. The Members hold the Sponsor Governor positions on the Academy Board. The Academy Board has standing sub-committees in each Academy known as Local Advisory Boards (LABs). These operate under a Schedule of Delegation which is reviewed and approved by the Board. Local Governors are appointed in accordance with the Articles of Association to be responsible for the affairs of each school or college and the management of these under the terms of the Schedule of Delegation along with senior staff.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

The Trust currently oversees the work of three secondary colleges, including a Studio College plus three standalone primary schools. Accordingly the governance of the Trust structured as follows -

- The Academy Board ('The Board') is the main body responsible for overall governance of schools and colleges ('The Academies') which are sponsored by the Trust, having the following representation
 - 3 x Directors including one member (Company), two from local/corporate business
 - 3 x Directors (drawn from the parent community to represent each of the educational phases)
 - 3 x Executive Directors, including the Chief Executive (Company), Executive Headteacher (Primary Phase) and Executive Principal (Secondary Phase),
- Local Advisory Body (LAB) operates under a schedule of delegation and is responsible for the affairs of individual schools or colleges, having the following representation
 - Rosedale College – 2 x directors (drawn from the local community) 2 x directors (drawn from the parent body) 2 x employees (including the executive principal responsible for the educational phase, the principal of the institution)
 - Hewens College – 1 x director (member of the Academy Board), the principal of the academy, 1 x staff governor, 1 x coopted governor, 2 x parent governors
 - Rosedale Primary – 1 x director (member of the Academy Board), the headteacher of the school, 1 x staff governor, 2 x coopted governors, 2 x parent governors
 - Parkside Studio College – 1 x director (member of the Academy Board), the headteacher of the school, 1 x staff governor, 2 x coopted governors, 2 x parent governors (from 1 September 2012)
 - Brookside Primary – 1 x director (member of the Academy Board), 1 x staff governor, 1 x headteacher, 2 x coopted governors, 2 x parent governors

During the period under review there were three meetings of the Board and three meetings of each LAB. The training and induction provided for new trustees/directors and governors was dependent on their past experience and particular skills which have made them eligible for the post. The range of training provided by the Sponsor included raising awareness about the Trust's obligations in terms of educational provision, financial matters, legal matters and charitable status. As a matter of routine each new governor/director was provided with a detailed tour of the school and college estate focusing particularly on the institution for which major responsibility was to be held. This was further reinforced throughout the year by organizing Board Meetings at different school and college venues during the working day. All governors and directors were provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. Induction continues to be tailored to meet the specific needs of the individual involved.

Organisational Structure

The Academy Board is the regulatory authority of the Trust and as such is responsible for setting the strategic direction, operational priorities and policy at a corporate level across the group of academies and schools within the Trust. The Trustees approve a Scheme of Delegation which covers key functions and levels of responsibility for Trustees and Local Governors in terms of Governance and levels of responsibility for senior staff in terms of Leadership and Management. In short, the remit of the Board is to provide coherent leadership and management across all of the schools and colleges sponsored by the Trust. It is therefore responsible for allocating resources by approving an annual budget plan, monitoring the use of these resources and making major decisions about the use of capital and revenue by setting the general strategy and direction of travel for the Trust.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Local Advisory Boards are responsible for advising and assisting in the formulation of general policies concerned with the standards of high quality teaching, review and report on the curriculum offered at the respective schools with reference to national and local requirements, monitor and review the progress of students in terms of academic achievements, attendance, punctuality and behaviour benchmarked against national and local performance and to prepare written documents reporting the above considering the recommendations made by the Principal and Senior Leadership Team of that school, to actively promote the work of the respective school within the community, responding to external feedback from national and local bodies to continuously improve the offering of the school and wider Academy Trust

The Chief Executive is authorised to incur expenditure within the approved budget and the appointment of staff without further authorization from the Board. The Management Structure within each Academy and School consists of a Senior Leadership Team, which is led by the Principal and includes Vice Principals and Assistant Principals (also known as Directors of Teaching and Learning). The Senior Leadership Team (SLT) is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Risk Management

The Board has assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. A central risk register of those risks is maintained and periodically monitored. The register seeks to identify the likelihood of a risk occurring, its potential impact and actions that have been taken to mitigate the risk.

Objectives and Activities

The principal object and activity of The Rosedale Hewens Academy Trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools (the Academies) offering a broad and balanced curriculum. The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when review the Trust's aims and objectives.

In accordance with the Articles of Association, the Company has adopted a scheme of governance approved by the Secretary of State for Education. This scheme, amongst other things specifies the basis for admitting students to each school/college location. Each secondary provider places particular emphasis on specific areas of the curriculum. Rosedale College is a specialist Technology College recognised locally for its expertise for Science, Technology, Engineering and Mathematics (STEM). Hewens College is designated as a specialist Humanities College encompassing expertise in Government and Politics, Law, Psychology and Sociology. With that said the common objectives shared by schools and colleges throughout the Trust are summarised below.

- to raise the standard of educational achievement of all students,
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition, safeguarding and care,
- to improve the effectiveness of each Academy/School by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce,
- to conduct our business in accordance with the highest standards of integrity, probity and openness

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

The main activity of the Company is the operation of schools and colleges which provide education to children and young adults of different abilities between the ages of 11-19. In the case of Rosedale College the Secretary of State has agreed that the Trust should host temporary provision operating through a Deed of Variation on the Wood End Green Road Campus whilst permanent buildings for a free school for pupils of 3-10 years old is constructed.

Strategies and Activities

The strategic approach of the Academy Trust is encompassed in its strap line which talks of success through collaboration in that it is recognised that a great deal of social capital can be accumulated by drawing on the expertise and capacity of established education providers, other stakeholders and the wider community. In this, the Trust emphasizes the importance of the local business community as a means by which students of all abilities can acquire a range of attitudes, skills and abilities which will make them 'work ready', the long term objective being to create an agile and flexible workforce which will improve the prospects of the economy locally. The activities provided which place 'students at the heart' include -

- improvement in the achievement and the aspiration of children and young people through the expansion of the primary phase using vehicles such as academy conversion and free schools,
- wide ranging and innovative learning opportunities for young people and the wider community through the development for studio school provision and other work place programmes,
- developing strong and meaningful links with business in line with the Academy Trust's specialisms
- a programme of extended school and life long learning activities for students and the community,
- a supportive and developmental ethos based values and standards to guide and develop the 'whole person' and address the every child matters agenda
- development opportunities for all staff,

Achievements and Performance

Rosedale College

Located in the London Borough of Hillingdon, Rosedale College is non-selective, co-educational 11-19 secondary school serving a diverse population in the south of the borough. Established in September 2006, the college has grown from strength to strength converting to academy status as an outstanding school in August 2011. The college has an enviable reputation both locally and nationally, being at the forefront of much innovation including national pilots. In 2012, after a period of continuous improvement (see below) it was the top performing school nationally amongst similar schools when measured in terms of the value it adds to student outcomes between KS2 and KS4 with a score of 1062. In 2013, the percentage of students achieving 5 or more A* - C including English and mathematics rose to 73%, far exceeding the Trust's KPI of 60% which is also that of the national average. More recently, through a deed of variation, the college has agreed to host a temporary primary school whilst reaching a funding agreement with the Secretary of State to open an independent free school for 3-11 year olds. This has been part of a wider strategic vision of the Trust and will play a significant part in meeting the shortfall of primary school places currently projected.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Headline Data 2010-2013				
Academic Standards	2010	2011	2012	2013
School % 5 + A* - C including English and Mathematics	58%	74%	66%	73%
National % 5 + A* - C including English and Mathematics	54%	57%	58%	60%
School % 5 A* - C	98%	100%	100%	97%
National % 5 A* - C	75%	79%	82%	TBC
School % A* - C English	63%	83%	66%	83%
National % A* - C English	66%	67%	67%	67%
School % A* - C Mathematics	68%	78%	78%	74%
National % A* - C Mathematics	60%	63%	63%	70%
School Value Added	1053	1066	1062.4	1033
School Capped Point Score	327	335	381	345

Hewens College

Hewens was established in August 2011, replacing the former Mellow Lane School through academy conversion. Located in the London Borough of Hillingdon, it is much smaller than the average sized secondary school and therefore benefits from its partnership with Rosedale College. Following the school's conversion to academy status as part of The Rosedale Hewens Academy Trust and change of name to Hewens College, the anticipated improvement in results for the second year of Hewens College was vindicated in 2012 when the percentage of students achieving 5 or more A* - C including English and mathematics rose to 64% and the percentage of students achieving 5 or more A* - G rose to 100%. In 2013 there was a slight drop in 5 good GCSE's or better but the College was in line with the national average and the Trust's KPI of where 60% of students achieving 5 or more A* - C including English and mathematics.

Headline Data 2010-2013				
Academic Standards	2010	2011	2012	2013
School % 5 + A* - C including English and Mathematics	35%	39%	64%	60%
National % 5 + A* - C including English and Mathematics	54%	57%	58%	60%
School % 5 A* - C	61%	77%	93%	95%
National % 5 A* - C	75%	79%	82%	TBC
School % A* - C English	54%	62%	70%	63%
National % A* - C English	66%	67%	67%	67%
School % A* - C Mathematics	45%	45%	70%	73%
National % A* - C Mathematics	60%	63%	63%	70%
School Value Added	971	988	1023	1004.4
School Capped Point Score	293	312	350.4	335.8

Parkside Studio College

The Rosedale Hewens Academy Trust introduced Parkside Studio College as a brand new specialist provider catering for 14 to 19 year olds in September 2012. Building on the inclusive and enterprising ethos, which has brought outstanding success to the students of Rosedale and Hewens Colleges, Parkside offers young people even greater choice by providing something different, something new and something that is quite unique.

At Parkside Studio College, education is one which combines high quality classroom learning with practical work related activities both in and beyond the College. Students who attend Parkside continue to gain qualifications in traditional core subjects, but also become experts in their chosen pathway. These specialist courses are delivered through the use of industry standard, state-of-the-art equipment in newly refurbished buildings. Considerable investment has been made to ensure that young people can develop the skills, experiences and qualifications necessary to succeed in an increasingly competitive employment market.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Although Studio Schools are a new concept, the focus is one which industry has been demanding for some time. Businesses want young people to be work ready and therefore Parkside is at the forefront of delivering this innovation. This is done through coaches guiding and mentoring students in their specialist pathway and core teaching staff delivering 'core' curriculum subjects. The students are able to access work based learning 8hrs per week at KS4, rising to 2 days at KS5.

Rosedale Primary School

Rosedale Primary School opened in temporary buildings in September 2011. This initial building programme was delivered in two distinct phases allowing the new school to establish both Nursery and Reception classes in the first year. During the period under review, the roll expanded as the pupils moved up a year allowing a further intake of nursery and reception age pupils. In September 2013 the initial cohort of children will have reached Year 2. Early progress has been made in preparing the Wood End Green Road campus in readiness for the permanent build of a two-form entry primary school. According to current timescales, it is anticipated that the existing school will decant to purpose built accommodation in readiness for September 2014. Based on feedback from the local authority and parents, the new school has proved to be very popular and successful, to the extent that the new intake in September 2013 will expand to three forms of entry in order to cope with a bulge of reception aged children locally.

Brookside Primary School

Brookside Primary School left local authority control on the 31st March 2013 as a result of a decision taken by the Secretary of State for Education. As an academy converter sponsored by the Trust, much of the activity has centred around re-engineering the staff structure as the means to rapidly raise standards of achievement. Running alongside this, has been a capital programme which has seen the school expand from two to three forms of entry involving new build and refurbishment. A new headteacher was appointed to oversee the implementation of changes and improvements agreed with the DfE in the form of an academy action plan. The transition has been extremely successful making significant progress both within the school and beyond. Certainly the introduction of a formal school uniform, underwritten by the Trust has raised the profile of the school locally. Early indications suggest that the intervention of the Trust means that the upward trajectory of standards will become apparent in terms of future local/national benchmarks.

Hewens Primary School

In the previous reporting period, the Academy Board announced its intention to open a Free School which is to be co-located on the Hewens Road Campus. Despite numerous setbacks regarding approval of the funding agreement and delay in delivering refurbished buildings, all indications suggest that the new primary school will open in September 2013 as planned. With this in mind, all the necessary steps have been taken to the point the Headteacher Designate together with sufficient teaching and support to guarantee high quality provision. Significant investment has been made by the Trust in marketing the new school and providing school uniform for those children and families who signed up early. Beyond this, further investment has been made to ensure that there are sufficient refurbished classrooms, toilets and ancillary spaces to meet the needs of the initial cohort.

De Salis

In the period under review, the Trust received confirmation from the Schools Minister that the application to open a further studio college specializing in business education had been approved. Accordingly, steps were taken by the Trust to increase its own capacity to deliver a further project. Following dialogue with the DfE it was agreed that it would involve making a number of additional appointments including exploring the use of external consultancy.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Going Concern

After making appropriate enquiries with the Local Authority given its responsibility for the planning of schools places, the Trust remains confident that it will be in a position to draw down adequate resources in the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

As in previous reporting periods, the Academy Trust continues to obtain the majority of its income Education Funding Agency (EFA) in the form of grants, some of which are restricted to particular purposes. The grants received from the DfE and other government bodies during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the statement of financial activities as restricted income within the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £11,223k was met by grant funding from the EFA and other government bodies together with other incoming resources. Total incoming resources for the year of £27,536k included the transfer of net assets from the London Borough of Hillingdon of for Brookside Primary School of £13,659k.

The excess of income over expenditure for the year, excluding the fixed assets fund and transfers between funds was £3,186k.

Our combined pension liability, valued in line with FRS17, continues to cause concern for The Rosedale Hewens Academy Trust, as it does with all other academies in the UK. Note 25 to the accounts explains these commitments more clearly and shows that at 31 August 2013 we had a shortfall of £1,405k. Of this sum, £413k was assumed on conversion of Brookside Primary School to an academy trust, from the London Borough of Hillingdon on 1 April 2013, the date the staff transferred to the employment of the Academy Trust. The Academy Trust continues to make contributions to the Scheme in accordance with the Scheme's strategy to fund the deficit over a period of 20 years.

Financial and Risk Management Objectives and Policies

The Academy Trust is exposed to minimal financial risk as its assets consist mainly of funds held with banks while other assets and liabilities are generally small in comparison. Our main objective is to ensure that the Academy Trust has an effective budget and monitoring system in place to ensure that there are sufficient funds to meet our key objectives. The Academy Trust receives professional advice in respect of its defined benefit pension deficit to ensure that this is reduced over time.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Principal Risks and Uncertainties

In accordance with the Companies Act 2006, the Trust is required to demonstrate how it identifies and mitigates any potential risk or uncertainties that might otherwise threaten its ability to continue in operational existence. To address this requirement the Trust has established a risk management process which operates at both a high level to review the overall business of the Trust and also in terms of individual developmental projects. This follows the traditional orthodoxy found elsewhere in project management using the principals of an overall Risk Register and interim red-amber-green ("RAG") rated update reports. Given the nature of eligible funding, closely linked with underlying demographic trend, the evidence confirms that there can be little risk to any of the schools or colleges sponsored by the Trust. With that said, the Trust will continue to monitor the situation closely during the period when it is re-configuring the admission arrangements for individual schools and colleges as a result of re-configuring its estate.

Reserves Policy

The Academy Trust has a strong local presence offering high quality educational provision from Early Years to apprenticeships and adult education. It has a fine reputation built entirely on its demonstrable capacity to deliver educational transformation in the schools and colleges which it sponsors. As such, there is an imperative to build and maintain a healthy level of reserves in order to safeguard the delivery of new provision which relies on the timescales and processes of other external organisations. These together with other unrestricted funds have allowed the Trust to establish three new schools with a further studio college due to open in September 2014. As such, the Academy Board regularly reviews the level of reserves held by the Trust, factoring this in to its annual budget planning process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy Board determines what the level of free reserves should be with an aim to ensure that there are sufficient funds in place to cover any delays between spending and receipt of grants. In short, the reserves cushion the Company in terms of cash flow and also allows the Board to address any unforeseen emergencies which might arise from the urgent maintenance of aging buildings previously designated as life expired.

With all of the above in mind, the Trust will allocate funding to some but not all of the high priority projects identified by individual LABs as set out below.

Rosedale College

- Rebuilding/remodelling of the East Block - £4M

Hewens College

- Refurbish toilets - £20K
- Refurbishment of Performing Arts Block - £75K

De Salis

- Contribution to the capital project - £400K

Parkside College

- External Cladding - £75K
- Upgrade the Media Suite - £200K

Rosedale Primary School

- Enhancing the furniture, fixings and equipment regarding the new build - £60K
- Enhancing the outside play area - £15K

Brookside Primary School

- Re-roofing of main block - £130K

Hewens Primary School

- Refurbishment of two further classrooms plus circulation and ancillary to enhance the Early Years provision - £40K

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

As at 31 August 2013 the Academy Trust had total funds of £78,383k This comprised of £76,813k of restricted funds and £1,570k of unrestricted general fund balances

Investment Policy

Under the Articles of Association, the Academy Trust has the power to invest any funds not immediately required for the furtherance of its charitable objects while ensuring that due regard is made to ensure that any investments are prudent and suitable to its needs The Academy Trust maximises available interest income through the use of deposit accounts

Plans for Future Periods

The strategic mission of The Rosedale Hewens Academy Trust is to provide high quality educational provision in Hayes and the adjoining areas Unlike other multi academy trusts, there is no interest in or appetite for the acquisition of a string of academies across a wide geographical area Quite to the contrary, the principles on which the Trust was founded means that it will make full use of educational reform to increase choice and diversity of provision for local families in terms of services This encompasses everything from pre-school to apprenticeships and adult education With this in mind, the Academy Board has published a number of consultation documents seeking feedback from local stakeholders regarding potential and future gaps in existing provision The evidence base for future needs has been further substantiated with demographic data assembled from a variety of sources including census and other information held by the Local Authority In the period 2012-13, the Trust continued to reconfigure its school estate to reflect demographic shifts which would otherwise see a dramatic shortfall in provision in a number of specific areas over the next five years

Actioning recommendations set out in a document commissioned by the Hillingdon Association Secondary Headteachers on behalf of the 14-19 Consortium Group, the Trust has continued to build on the early success of Parkside Studio College agreeing to sponsor De Salis Studio College which is to become a 14-19 provider specialising in Business As elsewhere in the Trust this new setting will offer a range of traditional GCSEs and vocational courses, supplemented by a range of activities aimed at allowing students to enter the workforce at whatever level their qualifications allow them to Work Placements and exposure to a range of activities offered by business partners will be a strong feature of the overall provision

Beyond this, there remains significant pressure on existing primary schools across the Borough in terms of the known shortfall of available places In addressing this, the Trust will continue to invest in both Rosedale Primary School and Hewens Primary School as each of these expands year on year until reaching steady state as through primary schools In the meantime, the Trust will continue to offer its sponsorship should the Local Authority decide to commission additional provision in the Hayes area

With this in mind, the Trust has set aside considerable resources so as to guarantee the successful development of its schools and colleges Whilst the majority of the funding identified is to add high quality specialist facilities at each campus, some of the money will be invested in improving the exterior appearance of its buildings This is seen to be important by all stakeholders as part of the Trust's overall marketing strategy

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013


Auditor

In so far as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors 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 auditors, Kingston Smith LLP, are deemed to be reappointed under section 487 (2) of the Companies Act 2006

Approved by order of the members of the Academy Board and signed on its behalf by



Beverley Amos
Chairman of the Board

14 January 2014

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Governance Statement for the year ended 31 August 2013

Scope of Responsibility

As a central government public body, The Rosedale Hewens Academy trust is required to provide assurance that it is appropriately managed in terms of controlling the resources for which it is responsible

The Board acknowledges that it has overall responsibility for maintaining an effective and appropriate system of control, financial and otherwise. With that said, any such system can only be designed to manage rather than eliminate the risk of failure in relation to the Trusts declared business objectives. In this sense, the scope of responsibility is to provide reasonable rather than absolute assurance against material misstatement or loss

The Trust has delegated day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management. These requirements and responsibilities are assigned through the funding agreement between The Rosedale Hewens Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control

Governance

The information provided below supplements that described in the Report of the Academy Board and in the Statement of Governors' Responsibilities. The Board met formally each term with the attendance at each of the three meetings as follows -

Governor	Meetings Attended	Out of a possible
B Amos	3	3
C Neathey	3	3
I O'Connor	3	3
J Ellis (effective 1 1 13)	2	2
N Bamber	2	3
F Dawodo	3	3
D Roberts (effective 21 5 13)	2	2
J Harper (resigned 31 12 12)	1	1
D Kearne-Smith (resigned 31 5 13)	1	2

During the year the Board considerably strengthened their expertise by the appointment of a Chartered Accountant, David Roberts as a board member and director

The Finance and Audit committee is a sub-committee of the main board of trustees. Its purpose is to monitor all financial aspects of the Trust including the setting of budgets and monitoring of expenditure against budgets to be put forward to the Academy Board for approval. A total of three meetings took place as follows

Trustee	Meetings Attended	Out of a possible
B Amos	3	3
D Roberts	2	2
I O'Connor	3	3
J Ellis	2	2

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 The Rosedale Hewens Academy Trust for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Academy Board.

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 Academy Board,
- regular reviews by the Academy Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks,
- clarifying the responsibility of the Senior Leadership Teams to implement the Academy Board's policies and to identify and evaluate risks for the governors consideration,
- ensuring that employees understand that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedding the control system in the Academy Trust's operations so that it becomes part of the culture of the Academy Trust,
- developed systems to respond quickly to evolving risks arising from factors within the Academy Trust and to changes in the external environment,
- procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken.

The Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trust has appointed David Roberts of DMC Accounting as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trusts financial systems. The RO reports to the Academy Board on any matters on the operation of the systems of control and on the discharge of the Academy Boards financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Rosedale Hewens Academy Trust

Annual Report of the Academy Board for the year ended 31 August 2013

Review of Effectiveness

As Accounting Officer, the Chief Executive 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 Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- 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 Academy Board and signed on its behalf by



Beverley Amos
Chairman of the Board



Clive Neathey
Accounting Officer

14 January 2014

The Rosedale Hewens Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of The Rosedale Hewens Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date



Clive Neathey
Chief Executive
Accounting Officer

Date 14 January 2014

The Rosedale Hewens Academy Trust

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of The Rosedale Hewens Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Academy Board and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

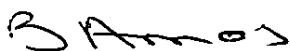
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The governors 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 the legislation in other jurisdictions.

Approved by order of the members of the Academy Board and signed on its behalf by

Signed



Beverley Amos
Chairman of the Board

14 January 2014

THE ROSEDALE HEWENS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROSEDALE HEWENS ACADEMY TRUST

We have audited the financial statements of The Rosedale Hewens Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Governors' Responsibilities Statement, the Governors (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.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then
- 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE ROSEDALE HEWENS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROSEDALE HEWENS ACADEMY TRUST (continued)

Matters on which we are required to report by exception

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

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

Kingston Smith LLP

Date 15 January 2014

James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

THE ROSEDALE HEWENS ACADEMY TRUST

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE ROSEDALE HEWENS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Rosedale Hewens Academy Trust during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of The Rosedale Hewens Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of The Rosedale Hewens Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2013 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes

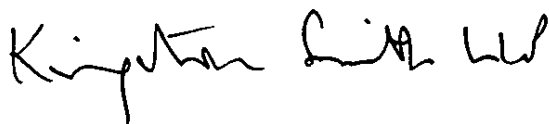
- Enquiry
- Inspection and review
- Observation and reperformance

THE ROSEDALE HEWENS ACADEMY TRUST

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE ROSEDALE HEWENS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date 15 January 2014

Devonshire House
60 Goswell Road
London
EC1M 7AD

THE ROSEDALE HEWENS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2013

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000	Total 2012 £000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	29	-	-	29	250
Voluntary income - transfer from Local Authority on conversion	28	279	(413)	13 793	13,659	61 288
Activities for generating funds	3	313	-	-	313	208
Investment income	4	13	-	-	13	6
<i>Incoming resources from charitable activities</i>						
Funding for the academy trust's educational operations	5	-	12,602	920	13,522	12,630
Total incoming resources		634	12,189	14 713	27,536	74,382
Resources expended						
<i>Cost of generating funds</i>						
Fundraising trading		25	-	-	25	30
<i>Charitable activities</i>						
Academy trust educational operations	7	-	9,685	1,462	11,147	12,038
Governance costs	8	-	51	-	51	36
Total resources expended	6	25	9 736	1,462	11,223	12,104
Net incoming resources before transfers		609	2,453	13,251	16,313	62,278
Gross transfers between funds	17	-	523	(523)	-	-
Net income for the year		609	2 976	12,728	16,313	62 278
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	18, 28	-	-	-	-	(238)
Net movement in funds		609	2 976	12,728	16,313	62,040
Reconciliation of funds						
Total funds brought forward at 1 September 2012	17	961	(86)	61 195	62,070	
Total funds carried forward at 31 August 2013		1,570	2 890	73,923	78,383	62 070

All of the academy's activities derive from continuing operations during the above two financial periods


A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

THE ROSEDALE HEWENS ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	13		73,735		60,257
Current assets					
Stock	14	54		49	
Debtors	15	298		425	
Cash at bank and in hand		<u>6,085</u>		<u>3,083</u>	
		6,437		3,557	
Liabilities					
Creditors amounts falling due within one year	16	<u>(384)</u>	<u>6,053</u>	<u>(801)</u>	<u>2,756</u>
Net current assets			79,788		63,013
Total assets less current liabilities					
Pension scheme liability	25		(1,405)		(943)
Net assets including pension liability			<u>78,383</u>		<u>62,070</u>
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	17	73,923		61,195	
General fund	17	4,295		857	
Pension reserve	17	<u>(1,405)</u>		<u>(943)</u>	
Total restricted funds			76,813		61,109
Unrestricted income funds					
General fund	17	<u>1,570</u>	<u>1,570</u>	<u>961</u>	<u>961</u>
Total unrestricted funds					
Total funds			<u>78,383</u>		<u>62,070</u>

The financial statements on pages 22 to 40 were approved by the Governors and authorised for issue on 14-1-14 and are signed on their behalf by



Clive Neathley

Chief Executive

Company registration no 07683702 (England and Wales)

THE ROSEDALE HEWENS ACADEMY TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash inflow from operating activities	20	2,930	2,474
Returns on investments and servicing of finance	21	13	6
Capital expenditure	22	(227)	(37)
Cash transferred on conversion to an academy trust	28	286	610
Increase in cash in the year	23	3,002	3,053
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		3,083	-
Net funds at 31 August 2013		6,085	3,083

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1 Statement of Accounting Policies (continued)

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards the Charities Commission Statement of Recommended Practice Accounting and Reporting by Charities' (SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently except where noted, is set out below.

Going Concern

The governors assess whether the use of the going concern basis of accounting 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants Receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other Income

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

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

1 Statement of Accounting Policies (continued)

Conversion to an academy trust

The conversion from state maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Brookside Primary School on 1 April 2013 to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Rosedale Hewens Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of Generating Funds

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

Charitable Activities

These are costs incurred on the academy trust's educational operations.

Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Freehold and long leasehold buildings	2%
Fixtures, fittings and equipment	20%
Motor Vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Leased Assets

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

Stock

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

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

1 Statement of Accounting Policies (continued)

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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the London Borough of Hillingdon.

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

2 Voluntary Income

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000	Total 2012 £000
Donations	-	-	-	135
Other grants	29	-	29	115
	<u>29</u>		<u>29</u>	<u>250</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000	Total 2012 £000
Uniform sales	44	-	44	59
Letting fees	21	-	21	21
Catering income	103	-	103	91
Teacher training	105	-	105	-
Trips	40	-	40	25
Other income	-	-	-	12
	<u>313</u>	<u>-</u>	<u>313</u>	<u>208</u>

4 Investment Income

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000	Total 2012 £000
Short term deposits	13	-	13	6
	<u>13</u>		<u>13</u>	<u>6</u>

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000	Total 2012 £000
DfE / EFA grants				
General Annual Grant (GAG)	-	10,620	10,620	11,116
Start Up Grants	-	282	282	123
Capital Grants	-	920	920	44
Other DfE/EFA grants	-	1,020	1,020	363
	<u>-</u>	<u>12,842</u>	<u>12,842</u>	<u>11,646</u>
Other Government grants				
Local authority grants	-	406	406	984
Special educational projects	-	274	274	-
	<u>-</u>	<u>680</u>	<u>680</u>	<u>984</u>
	<u>-</u>	<u>13,522</u>	<u>13,522</u>	<u>12,630</u>

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2013 £000	Total 2012 £000
Costs of activities for generating funds	-	-	25	25	30
Academy's educational operations					
Direct costs	6,671	1,462	441	8,574	8,666
Allocated support costs	1,043	259	1,271	2,573	3,342
	<u>7,714</u>	<u>1,721</u>	<u>1,737</u>	<u>11,172</u>	<u>12,038</u>
Governance costs including allocated support costs	-	-	51	51	36
	<u>7,714</u>	<u>1,721</u>	<u>1,788</u>	<u>11,223</u>	<u>12,074</u>

Outgoing resources for the year include

	2013 £000	2012 £000
Operating leases	57	65
Fees payable to auditor		
Audit	9	10
Other services	9	-

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000	Total 2012 £000
Direct costs				
Teaching and educational support staff costs	-	6,671	6,671	6,816
Depreciation	-	1,462	1,462	1,380
Educational supplies	-	190	190	155
Examination fees	-	168	168	157
Pupil activities	-	83	83	158
	<u>-</u>	<u>8,574</u>	<u>8,574</u>	<u>8,666</u>
Allocated support costs				
Support staff costs	-	1,043	1,043	769
Light and heat	-	260	260	146
Recruitment and support	-	134	134	109
Maintenance of premises and equipment	-	130	130	1,159
Security and cleaning	-	60	60	240
Rent & rates	-	129	129	95
Insurance	-	91	91	95
Pupil recruitment	-	101	101	44
Technology	-	133	133	115
Catering	-	188	188	267
Bank interest and charges	-	-	-	1
Pension finance costs	-	42	42	34
Other support costs	-	262	262	268
	<u>-</u>	<u>2,573</u>	<u>2,573</u>	<u>3,342</u>
	<u>-</u>	<u>11,147</u>	<u>11,147</u>	<u>12,008</u>

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

8 Governance Costs

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000	Total 2012 £000
Legal and professional fees	-	30	30	21
Accountancy services	-	3	3	5
Auditor's remuneration	-	9	9	10
Audit of financial statements	-	9	9	-
Other audit costs	-	51	51	36

9 Staff Costs

Staff costs during the period were

	2013 £000	2012 £000
Wages and salaries	5,988	6,525
Social security costs	492	503
Pension costs	653	658
	<u>7,133</u>	<u>7,686</u>
Supply teacher costs	581	206
	<u>7,714</u>	<u>7,892</u>

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows

	2013 No	2012 No
Charitable Activities		
Teachers	98	83
Educational support	56	71
Administration and support	19	18
Management	33	27
	<u>206</u>	<u>199</u>

The number of employees whose emoluments fell within the following bands was

	2013 No	2012 No
£60,001 - £70,000	1	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£180,001 - £190,000	1	1
	<u>4</u>	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £23,642 (2012 £40,668)

10 Central Services

The academy trust has provided the following central services to its academies during the year
human resources,
financial services,
legal services

These costs are allocated to schools on an estimated percentage basis. During the year this was as follows

Rosedale College	50%
Hewens College	50%

Funds received by the trust for project development of Hewens Primary School and De Salis Studio College and the related expenditure from these funds have been recognised as central funds until these schools open, at which point such funds will be assigned to the new academy

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

11 Related Party Transactions - Governors' Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows

Clive Neathey (Chief Executive)	£180,000 - £185,000 (2012: £180,000 - £185,000)
Joanne Harper (Rosedale principal and Governor)	£25,000 - £30,000 (2012: £75,000 - £80,000)
Ian O'Conner (Executive principal - secondary)	£85,000 - £90,000 (2012: £80,000 - £85,000)
Niela Bamber (Rosedale Primary principal and Governor)	£45,000 - £50,000 (2012: £45,000 - £50,000)

During the year ended 31 August 2013, travel and subsistence expenses totalling £nil (2012: £1,051) were reimbursed to Governors (2012: 1 Governor)

Other related party transactions involving the trustees are set out in note 26

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 (2012: £1,000,000) on any one claim and the cost for the year ended 31 August 2013 was £241 (2012: £1,540)

The cost of this insurance is included in the total insurance cost

13 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Motor Vehicles £000	2013 Total £000
Cost					
At 1 September 2012	61,162	-	406	69	61,637
Transfer on conversion	-	13,651	142	-	13,793
Additions	1,003	-	144	-	1,147
At 31 August 2013	62,165	13,651	692	69	76,577
Depreciation					
At 1 September 2012	1,325	-	42	13	1,380
Charged in year	1,229	114	105	14	1,462
At 31 August 2013	2,554	114	147	27	2,842
Net book values					
At 31 August 2013	59,611	13,537	545	42	73,735
At 31 August 2012	59,837	-	364	56	60,257

On conversion the land and buildings occupied by Brookside Primary School were assigned to the academy trust by the London Borough of Hillingdon. For the purposes of these financial statements the buildings have been recognised at their insurance valuation and no value has been attributed to the land due to its restriction in use to educational purposes.

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

14 Stock

	2013 £000	2012 £000
Clothing	54	49
	<u>54</u>	<u>49</u>

15 Debtors

	2013 £000	2012 £000
VAT recoverable	258	399
Prepayments and accrued income	40	26
	<u>298</u>	<u>425</u>

16 Creditors Amounts Falling due within one year

	2013 £000	2012 £000
Trade creditors	180	276
Taxation and social security	162	154
Accruals and deferred income	42	371
	<u>384</u>	<u>801</u>

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

17 Funds

	Balance at 1 September 2012 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2013 £000
Restricted general funds					
General Annual Grant (GAG)	361	10,620	(7,422)	523	4,082
Start Up Grant	-	282	(282)	-	-
Other DfE/EFA grants	32	1,020	(865)	-	187
Other restricted funds	464	680	(1,118)	-	26
Pension reserve	(943)	(413)	(49)	-	(1,405)
	<u>(86)</u>	<u>12,189</u>	<u>(9,736)</u>	<u>523</u>	<u>2,890</u>
Restricted fixed asset funds					
DfE/EFA capital grants	28	920	-	(948)	-
Hewens Building Fund	910	-	-	(722)	188
Fixed assets purchased with capital and other funding	38	-	(6)	1,137	1,169
Capital expenditure from GAG	208	-	(65)	10	153
Transfer from Local Authority on conversion	60,011	13,793	(1,391)	-	72,413
	<u>61,195</u>	<u>14,713</u>	<u>(1,462)</u>	<u>(523)</u>	<u>73,923</u>
Total restricted funds	<u>61,109</u>	<u>26,902</u>	<u>(11,198)</u>	<u>-</u>	<u>76,813</u>
Unrestricted funds					
Unrestricted funds	961	634	(25)	-	1,570
Total unrestricted funds	<u>961</u>	<u>634</u>	<u>(25)</u>	<u>-</u>	<u>1,570</u>
Total funds	<u>62,070</u>	<u>27,536</u>	<u>(11,223)</u>	<u>-</u>	<u>78,383</u>

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

General Annual Grant

This includes all monies received from the EFA to carry out the objectives of the academy trust. It includes the School Budget Share, LACSEG (Local Authority Central Spend Equivalent Grant), insurance and rates grants.

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 2013.

Start Up Grant

This represents the amount received on conversion to academy status for start up costs.

Other DfE/EFA grants

This represents revenue grants received from the EFA for specific purposes, including funds provided to support individual pupils with a SEN statement and development grants received by the academy trust.

Other restricted funds

This represents revenue grants received from the Local Education Authorities for specific purposes.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme which was transferred to the academy on conversion.

Fixed asset fund

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

Hewens Building Fund

These are funds restricted to funding an extensive programme of works and improvements being undertaken on the Hewens College site. During the year £722,000 was spent on works and improvements at the site in respect of Hewens College and Hewens Primary School.

Transfers between funds

£835,000 of the EFA capital grants recognised in the year related to capital costs relating to the building and opening of Parkside Studio College. £922,000 of this capital funding was spent in the prior year and funded from the Hewens College GAG surplus with an additional £302,000 spent in the current year which has been directly funded from the Parkside College capital grant. In recognition of the capital spend in the previous year the remaining balance on the Parkside College capital grant of £533,000 has been transferred to the Hewens College GAG funds carried forward.

Transfers from the General Annual Grant Fund to the fixed asset fund of £10,000 relate to fixed assets purchased from the GAG funds.

£1,137,000 transferred to fixed assets purchased from capital and other funding represents the amount of capital funds held which have been spent on fixed assets.

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows

	Total £000
Rosedale College	2,462
Hewens College	2,387
Parkside Studio College	227
Brookside Primary School	567
Central services	222
Total before fixed assets and pension reserve	5,865
Restricted fixed asset fund	73,923
Pension reserve	(1,405)
Total	78,383

While the fund balances carried forward have been separately disclosed for each academy, the academy trust manages its surplus funds on a central basis making these central funds available for spending on special and long-term capital projects

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Total £000
Rosedale College	3,357	431	97	893	4,778
Hewens College	2,091	441	28	567	3,127
Parkside Studio College	596	61	36	91	784
Brookside Primary School	594	110	6	181	891
Central services	33	-	23	125	181
Academy Trust	6,671	1,043	190	1,857	9,761

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	73,735	73,735
Current assets	1,954	4,295	188	6,437
Current liabilities	(384)	-	-	(384)
Pension scheme liability	-	(1,405)	-	(1,405)
Total net assets	1,570	2,890	73,923	78,383

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

19 Financial Commitments

Operating Leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	2013 £000	2012 £000
Other		
Expiring within one year	14	38
Expiring within two and five years inclusive	-	3
Expiring in over five years	-	-
	<u>14</u>	<u>41</u>

20 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2013 £000	2012 £000
Net income	16,313	62,278
Depreciation (note 13)	1,462	1,380
Capital grants from DfE and other capital income	(920)	(44)
Interest receivable (note 4)	(13)	(6)
FRS 17 pension cost less contributions payable (note 25)	7	(27)
FRS 17 pension finance income (note 25)	42	34
Cash transferred on conversion to an academy trust	(286)	(610)
Fixed assets transferred on conversion	(13,793)	(61,374)
Liabilities transferred on conversion	413	698
Increase in stock	(5)	(49)
Decrease/(increase) in debtors	127	(425)
(Decrease)/increase in creditors	(417)	619
Net Cash Inflow from Operating Activities	<u>2,930</u>	<u>2,474</u>

21 Returns on Investments and Servicing of Finance

Interest received	13	6
Net cash inflow from returns on investment and servicing of finance	<u>13</u>	<u>6</u>

22 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(1,147)	(81)
Capital grants from DfE/EFA	920	44
Net cash outflow from capital expenditure and financial investment	<u>(227)</u>	<u>(37)</u>

23 Analysis of Changes in Net Funds

	As at 1 September 2012 £000	£000	As at 31 August 2013 £000
Cash in hand and at bank	3,083	3,002	6,085
	<u>3,083</u>	<u>3,002</u>	<u>6,085</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

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

25 Pension and Similar Obligations

The academy'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 the Longon Borough of Hillingdon. Both are defined-benefit

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

The LGPS obligation relates to all employees of the academy trust, including those employees transferred as part of the conversion from Brookside Primary School and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account: the Teachers' Pension Budgeting and Valuation Account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and Similar Obligations (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £220,000, of which employer's contributions totalled £168,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are 19.9% for employers and 6.2% for employees. These rates are being reviewed in 2014.

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

Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries*	5.1%	4.5%
Rate of increase for pensions in payment/inflation	2.8%	2.2%
Discount rate for scheme liabilities	4.6%	4.1%
Inflation assumption (CPI)	2.9%	75%

* Salary increases are assumed to be 1% per annum until 31 March 2015 reverting to the long term assumption shown thereafter.

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions at 31 August 2013,-	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13.00%	330
1 year increase in member life expectancy	3.00%	76
0.5% increase in the Salary Increase Rate	6.00%	148
0.5% increase in the Pension Increase Rate	7.00%	173

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

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	20.8 years	20.8 years
Females	24.1 years	24.1 years
<i>Retiring in 20 years</i>		
Males	22.3 years	22.3 years
Females	25.7 years	25.7 years

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2013	Fair value at 31 August 2013	Expected return at 31 August 2012	Fair value at 31 August 2012
Equities	6.6%	751	5.5%	387
Bonds	4.0%	258	3.4%	161
Property	4.7%	78	3.7%	51
Cash	3.6%	34	2.8%	45
Total market value of assets		<u>1,121</u>		<u>644</u>
Present value of scheme liabilities				
Funded		(2,526)		(1,587)
Deficit in the scheme		<u>(1,405)</u>		<u>(943)</u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period

The actual return on scheme assets was £101,000 (2012: £43,000)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2013 £000	2012 £000
Current service cost (net of employee contributions)	175	139
Total operating charge	175	139

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	37	30
Interest on pension liabilities	(79)	(64)
Pension finance costs	(42)	(34)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £238,000 loss (2012 £238,000 loss)

Movements in the present value of defined benefit obligations were as follows

	2013 £000	2012 £000
At 1 September	1,587	-
Transferred on conversion	609	1,095
Current service cost	175	139
Interest cost	79	64
Employee contributions	52	55
Actuarial loss	64	251
Benefits paid	(40)	(17)
At 31 August	2,526	1,587

Movements in the fair value of academy's share of scheme assets

	2013 £000	2012 £000
At 1 September	644	-
Transferred on conversion	196	397
Expected return on assets	37	30
Actuarial gain	64	13
Employer contributions	168	166
Employee contributions	52	55
Benefits paid	(40)	(17)
At 31 August	1,121	644

The estimated value of employer contributions for the year ended 31 August 2014 is £211,000

The five-year history of experience adjustments is as follows

	2013 £000	2012 £000
Present value of defined benefit obligations	(2,526)	(1,587)
Fair value of share of scheme assets	1,121	644
Deficit in the scheme	(1,405)	(943)
Experience adjustments on share of scheme assets Amount £000	64	13
Experience adjustments on scheme liabilities Amount £000	-	-

THE ROSEDALE HEWENS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2013

26 Related Party Transactions

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

The Academy has one known related party, Rosedale College Community Enterprise Limited a company incorporated in England and Wales. The company is not directly owned by the Academy but Clive Neathey (Headmaster) and a number of other directors also act as directors of the trading company. The company operates a number of the Trust's facilities for the sole purpose of raising funds for the benefit of the Trust. It is administered by the Trust's staff and management.

The following related party transactions took place in the period of account:

Rosedale College Community Enterprise Limited paid salaries on behalf of Rosedale Primary School amounting to £nil (2012: £16,920). This amount was included within creditors in the previous year.

27 Events after the balance sheet date

On 1 September 2013 a new academy was opened within the Trust: Hewens Primary School.

28 Conversion to an academy trust

On 1 April 2013 the Brookside Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Rosedale Hewens Academy Trust from the London Borough of Hillingdon for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as the net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Fund £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets	-	-	13,651	13,651
Long leasehold land and buildings	-	-	142	142
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	277	-	-	277
Budget surplus on other school funds	9	-	-	9
LGPS pension deficit	-	(413)	-	(413)
Other identified assets and liabilities	(7)	-	-	(7)
Net assets	279	(413)	13,793	13,659