

Company Registration No. 07954363 (England and Wales)

THE COWPLAIN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



THE COWPLAIN SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of governors' responsibilities	16
Independent auditor's report on the accounts	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 45

THE COWPLAIN SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	T Cullen S Head D Lander S Young
Governors	S Head (Chair) L Berrecloth S Cornell (Resigned 29 September 2017) D Cox T Cullen (Resigned 18 June 2018) I Gates (HT/AO) L Harbour D Lander (Resigned 5 December 2017) A Skinner (Retired 30 January 2018) A Turner (Resigned 23 February 2018) S Young J Salisbury (Appointed 27 November 2017 and resigned 4 November 2018) G Taylor (Appointed 27 November 2017) T London (Appointed 17 January 2018 and resigned 31 August 2018) B Tewari (Appointed 27 March 2018) M Holding (Appointed 1 May 2018) C Scott (Appointed 1 May 2018)
Senior management team	
- Headteacher	I Gates
- Deputy Headteacher	N Brockhurst
- Assistant Headteacher	I Clarke
- Assistant Headteacher	A Clemas
- Assistant Headteacher	E Zambo
Company secretary	D Pidgeon
Company registration number	07954363 (England and Wales)
Registered office	Hart Plain Avenue Waterlooville Hampshire PO8 8RY
Independent auditor	Moore Stephens (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ

THE COWPLAIN SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Nat West Bank Plc
London Road
Waterlooville
Hampshire

Solicitors

Hampshire County Council
Legal Department
The Castle
Winchester
Hampshire
SO23 8UJ

THE COWPLAIN SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

The Trust operates an academy for pupils aged 11 to 16 serving a community north of Waterloo. It has a pupil capacity of 1080 and had a roll of 811 as of January 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The company was incorporated on the 17th February 2012.

The governors act as the trustees for the charitable activities of The Cowplain School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Cowplain School.

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

Members' liability

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

Governors' indemnities

The School has purchased Governors' Liability Insurance (£5,000,000) at a cost of £202 in 2017/18.

Method of recruitment and appointment or election of governors

The term of office for any governor shall be 4 years although the nominating bodies may re-nominate the governor to serve for a further period.

The Articles of Association provide for the appointment or election of up to 20 Governors as follows:-

- 1 Governor - appointed by members
- 6 Parent Governors - elected by parents of registered pupils at the School (minimum number 2)
- Up to 3 Staff Governors – appointed by staff
- Up to 10 Community Governors – appointed by the Governing Body
- The Headteacher
- In addition the Secretary of State has power to appoint additional governors

There are currently 11 Governors appointed.

Governors carry out an annual skills matrix exercise. Active recruitment, therefore, takes place to fill any gaps in skills identified. Governors are made clear of the expectations before joining the Governing Body and a proactive and committed approach is necessary at all times.

Policies and procedures adopted for the induction and training of governors

All Governors are provided with an induction and training programme appropriate to their skills and experience.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The Governing Body of The Cowplain School fulfils the following roles:

- Setting the school's strategic direction in the areas of structure, standards, finance, curriculum, and community relevance.
- Monitoring the performance of the school in these areas to ensure probity, efficiency and effectiveness.
- Acting as final arbitrator in the resolution of disputes.

Specifically this means:

- Agreeing the School's annual Raising Achievement plan.
- Scrutinising annual school targets.
- Adopting the annual budget and making financial decisions above a limit of £25,000.
- Maintaining a working knowledge of each subject area's procedures and performance.
- Ensuring that school disciplinary procedures for staff and students are carried out according to policy.

The Headteacher and the Leadership Team are responsible for the following:

- Ensuring the agreed strategic direction is implemented at an operational level.
- Meeting targets for exam outcomes, budget solvency, teaching standards and site development.
- Providing the Governing Body with the necessary information for them to carry out their role.
- Managing the day to day issues associated with running the school.
- Leading the staff in discharging the learning process effectively.

Arrangements for setting pay and remuneration of key management personnel

The school operates an appraisal process that methodically charts the performance of all staff including key personnel. Performance is recorded electronically and available for scrutiny by the Headteacher and governors. Pay awards are made based on the annual performance of staff, each recommendation made by line managers is scrutinised by the Headteacher (HT) and a senior member of staff. The governors pay committee then further scrutinises each decision and is able to question decisions made by the HT. A separate committee scrutinises the performance of the HT and awards pay progression if warranted. The FGB further scrutinises the decision of the pay committees and approves pay awards. The policy for awarding pay progression is transparent and contained in the Pay Policy available to all staff.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

Related parties and other connected charities and organisations

The School is connected to the following organisations.

- The Cowplain - Horndean cluster which has members spanning the educational experience of all students from the age of 4 to 16. This organisation ensures that there is continuity of experience for all young people as they work their way through compulsory education.
- The school's PTA acts as an organisation which provides recreational activities for the parent body and some financial assistance to the school.
- The school has also joined the Rural Schools Alliance, a collection of 5 schools that serves to offer opportunities for school centred initial teacher training

Objectives and activities

Objects and aims

At Cowplain we are committed to ensuring success for all our students and to help them achieve their dreams and aspirations. Our strapline "Work hard. Enjoy learning. Achieve highly." summarises our work at Cowplain; the commitment to enabling young people to shape their dreams and the instilling of belief that they can be achieved.

Achievement at Cowplain is rising and this year we again celebrated GCSE results that matched last years, which were record results for the school. In addition we offer opportunities for all our students to participate in a range of extensive activities outside the school curriculum; consequently, our students excel in a number of fields, gaining local and national recognition in many areas. The 2017/18 Action Plan represents the strategies implemented to achieve improvements in the school, as identified by the school's own self-evaluation.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The School's Action Plan focuses on 'Excellence through Engagement' and identifies the areas for focus as:

- Students
- Parents
- Staff
- Engagement with the system, including focus on new examinations and assessment arrangements

The Action Plan has been shared with staff and the Governing Body and incorporates the actions required to improve standards. It has been formulated through analysis of GCSE results; lesson observations throughout the year; analysis of appraisal targets; rigour needed to improve standards in relation to the new GCSE exams; OFSTED targets. The Action Plan is routinely and regularly reviewed by the SLT and by Governors and is referenced when devising the school's professional learning and CPD activities.

Public benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Our role as a secondary school of necessity moves beyond the core task of providing a high quality rounded education for 11 -16 year olds. We must provide opportunities for adults to acquire knowledge and skills which enable them to improve their working lives or enhance their leisure time. We need to support the community through the opportunity to use our facilities. In this way we are able to encourage a wide range of people to continue to engage in leisure activities. We also provide opportunities to become elite sports people through our connections with local sports clubs.

Our contribution to the Havant Federation of Schools has enabled students from other schools to benefit from both additional courses and business related activities which enhance their life chances.

We contribute to the training of PGCE teachers and participate in School Direct teacher training. We also remain one of the biggest employers in the area.

Value for money is achieved by recording examination results that show progress for our students being better than the national average.

Strategic report

Achievements and performance

Results in 2018 again matched the record results for the school of the previous year, with 56% of students achieving English and Maths GCSEs at the new Grade 4, with 31% achieving at Grade 5. The Progress 8 figure has been estimated at slightly better than average (0.02), meaning that students at The Cowplain School made progress marginally above those nationally. The cohort obtaining these results was also the least able in the school's history based on their attainment on entry. English and Maths progress measures showed that those making expected progress compared to national figures was higher in Maths, slightly below average for English. Results for those qualifying for the Pupil Premium in 2018 rose and the gap between their outcomes and those of others was better than 2017 figures. A particular strength was the school's EBACC score of 23% at Grade 4 and 13% at Grade 5, which was higher than all but one of the ten local schools.

Geography, Drama, Music, Business Studies, ICT/Computer Science, Spanish and Triple Science, all recorded excellent results.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

Provisional Exam Results 2018 (pending Appeals and Adjustment)

	2018		2018
Applied Business	76%	Law	42%
Art	44%	Leisure & Tourism	44%
Biology	100%	Maths	62%
Business & Communication	62%	Media	54%
Food Preparation	54%	Music	86%
Chemistry	100%	Photography	37%
Child Development	42%	Physics	100%
Computer Science	89%	Product Design	6%
Dance	56%	Psychology	53%
Drama	79%	Religious Studies	49%
English Literature	62%	Spanish	100%
English Language	61%	Sport	100%
French	59%	TLM	86%
Geography	77%	Vcert Engineering	100%
Graphic Design	41%	Vcert Health & Fitness	77%
History	54%	Vcert Hair & Beauty	100%

Provisional Attendance information

The School's provisional attendance percentage until 25/5/18 = 94.09%

Provisional Exclusion information

School of	Fixed term exclusions as % of pupil group (number of exclusions)						% Enrolments with 1 or more fixed term exclusion (no of students)					
	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18
All Pupils	8.50	7.40	8.53	7.58	7.71	9.4	4.50	4.00	3.94	3.26	3.48	4.7
Male	15.06	9.50	9.92	10.22	11.91	11.23	7.53	5.37	4.86	4.44	5.39	6.19
Female	1.78	9.49	6.98	4.66	2.38	7.23	1.39	2.60	2.93	1.96	1.05	2.94
FSM/PP	28.50	15.57	23.65	28.98	17.16	20.62	13.04	8.10	10.79	12.31	7.29	9.72
No FSM/PP	3.43	4.78	3.29	3.47	3.72	4.16	2.33	2.46	1.58	1.52	1.86	2.36
English Language	8.59	7.40	8.53	7.38	7.71	9.4	4.54	4.00	3.94	3.26	3.48	4.7
Other than English	0.00	0.00	0	0	0	0	0.00	0.00	0	0	0	0
Unclassified	0.00	0.00	0	0	0	0	0.00	0.00	0	0	0	0
No SEN	3.80	3.66	6.31	7.05	4.89	7.86	2.45	2.78	3.88	2.79	2.44	4.14
SEN no Statement/ EHCP	27.23	23.97	21.36	12.55	20.88	17.65	12.04	8.18	9.4	5.66	8.73	6.86
SEN Statement/ EHCP	23.53	15.38	30.76	33	100	42.85	17.65	15.38	15.38	16.6	28.57	28.57
Permanent Exclusions	0.10	0.90	0.21	0.23	0.24	0.24	0.00	0.00	0.21	0.2	0.24	0.24

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Number on Roll (Census Oct 17)

Year	Total	Male	Female
11	175	92	83
10	136	85	51
9	140	77	63
8	157	80	77
7	204	100	104
Total	812 *	434	378

*includes 2 students dual registered therefore not funded

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. Risks such as decreasing examination results resulting in a poor OFSTED report have been minimised through the improvements the school has made over the last 2 years. This was supported by the 'Good' OFSTED report achieved in June 2018, which means that the school is unlikely to be inspected for 4 years from that date.

Financial review

The GAG income for the year was approximately £189,000 less than in the previous year. This was due to funding formula changes and the fall in NOR which resulted in 27 less students in the year. The number of places funded in the Resourced Provision dropped from 28 to 20, resulting in a further reduction of £80,000. Although the Year 7 admission numbers rose in September 2017, the effect of the low student numbers still apparent in the local area, will continue to have an impact on the funding levels for at least the next two years.

Despite this, the financial position to August 2018 was positive and an in-year surplus was achieved. This was mainly due to reduced staffing and efficiency savings made throughout the year.

The Accounts show that the main incoming resources were from educational funding totalling £4,662,235. Additionally, income from activities for generating funds was £346,206. The main expenditure was on staff salaries totalling £3,886,759. Other significant expenditure was £180,802 on educational supplies, £70,129 on examination fees and £45,942 on vocational courses, careers guidance and Y5/6 transition work. The income exceeded the resources expended on expenditure and management in the period by £141,711.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Expenditure during the period has supported the key objectives identified in the School's Development Plan in the following ways:-

- Maintained staffing structure to support students' learning
- Continuation of internal and external vocational courses for students
- Extended transition work with local primary schools
- Continued ICT hardware replacement in accordance with the ICT development plan

The principal financial management policies adopted in the year are those contained in the Academy Financial Handbook and the Academy Funding Agreement.

Reserves policy

The Governors have discussed the reserves that have been held and agreed to carry forward a prudent level of resources in order to meet the long term cyclical needs of renewal and any other unforeseen contingencies

Whilst there is a significant deficit on the Local Government Pension Scheme it is recognised that it is not an immediate liability. A Reserves Policy was approved on 9 July 2014 and is reviewed annually at the first Finance Committee meeting of the academic year.

The total of restricted reserves, excluding pension, held at 31 August 2018 was £832,759. The value of reserves available for general purposes held at 31 August 2018 was £299,000, being the equivalent of one month's payroll. The balance of restricted reserves are held for specific purposes, the details of which are identified in the Reserves Policy. The level of unrestricted reserves at 31 August 2018 was £785,719.

Investment policy

The School aims to manage its cash balances to provide for the day to day working capital requirements of its operations. In addition the School aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is minimal risk to the loss of these cash funds.

The School is using a reserve deposit account and a 95 day deposit account for funds in excess of day to day working capital requirements in accordance with the Investment Policy. Investment options will be reviewed annually.

Principal risks and uncertainties

During the period ended 31 August 2018, a risk register has been prepared to identify the major risks to which the school is exposed. The register will enable risks relating to teaching provision, operational areas and its finances to be monitored.

Where significant risk still remains the school has ensured that it has adequate insurance cover. The school has an effective system of internal financial control and this is explained in more detail in the Governance Statement on pages 11 to 14.

With 90% of the School's operational income being from the GAG funded by the ESFA, the greatest risk in the medium to longer term is the failure to attract a full quota of students. This is because a significant element of GAG is determined directly by pupil numbers. Although the Year 7 starting in September 2017 was the biggest year group that started at the school for some years, at 204 students, so the school grew by around 10 students compared to the previous year; numbers were lower in September 2018, reflecting the fluctuations in numbers of children in the local area.

The school has sought to minimise this risk by continuing to invest in teaching personnel and resources to raise standards. In addition, teaching and support staff numbers have been reduced and the school runs a very lean teacher: pupil ratio, with some teachers teaching more than one subject to minimise costs. Other income relates to specific activities and associated costs; community income has been increased to allow investment in a new pitch and other opportunities are being considered to increase income, such as a potential land sale.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial and risk management objectives and policies

There is no exposure to any financial instruments other than the use of cash, bank balances and trade creditors. Consequently the financial risks are deemed to be low. The funding of the Local Government Pension Scheme remains the major non-operational financial risk.

Fundraising

Pupils sometimes raise money for local or national charities; generally this is because the students suggest charities they wish to support in an academic year.

The school does not engage with any fundraising activities; The PTA occasionally fundraises for the school, with proceeds used to benefit students directly and support the costs of resources, educational visits, activities, and improvements to educational facilities at the school. Publicity for fund raising events is measured and is restricted to students at the school, their family members and the local community.

For trips that occur during the school day, parents are requested to make a voluntary donation towards the costs of the trip. Parents are made aware that there is no obligation to contribute and no student will be omitted from the trip if their parents do not contribute, but the trip may not take place if sufficient voluntary contributions are not forthcoming.

The Trust does not work with any third party commercial participators or professional fundraisers to raise funds. There have been no fundraising complaints during 2017/18.

Fund raising projects for the school are sometimes managed through limited other communications with parents. Voluntary donations towards trips are requested through letters to parents ensuring they are not made to feel pressurised into paying as it is voluntary and not compulsory. Reminder letters are not issued for any donation requests.

Plans for future periods

The School Action Plan outlines the strategy to improve standards over a three-year period. The plans for the school are for standards to continue to improve and that the school continues to strive for excellence. The Progress 8 score is targeted to be 0.2, with the core subjects achieving 60% Grade 4 in English and Maths. Attendance is targeted to rise to 95% and exclusions levels to remain at around the national average. To achieve this, resources will be targeted to maintaining the teaching workforce and in improving the quality of teaching through effective CPD. The school also aims to continue to devise plans for further successful CIF bids, building on those that have been obtained for new dining facilities, refurbishment of science labs and a new roof to one to the main buildings. These include a new perimeter fence and fire compliance works. The school is also looking to enhance its performing arts and PE facilities through generation of its own funds, through the land sale, which has now been sanctioned by the ESFA.

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 governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 04 December 2018 and signed on its behalf by:

S Head
Chair



THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Cowplain School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The Full Governing Body has formally met nine times during the period. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
S Head (Chair)	9	9
L Berrecloth	9	9
S Cornell (Resigned 29 September 2017)	0	0
D Cox	6	9
T Cullen (Resigned 18 June 2018)	4	7
I Gates (HT/AO)	9	9
L Harbour	9	9
D Lander (Resigned 5 December 2017)	3	3
A Skinner (Retired 30 January 2018)	1	3
A Turner (Resigned 23 February 2018)	2	4
S Young	4	9
J Salisbury (Appointed 27 November 2017 and resigned 4 November 2018)	6	7
G Taylor (Appointed 27 November 2017)	7	7
T London (Appointed 17 January 2018 and resigned 31 August 2018)	5	9
B Tewari (Appointed 27 March 2018)	2	4
M Holding (Appointed 1 May 2018)	2	3
C Scott (Appointed 1 May 2018)	3	3

The **FGB/Finance Committee** is a sub-committee of the Full Governing Body. Its purpose is:-

- to recommend the annual budget to the Full Governing Body
- to monitor the implementation of the budget plan and variances
- to approve spending between certain limits
- to review the internal/external audit reports
- financial risk review for RO programme

All the work of the governing body is done at the main FGB with a subcommittee for Finance. This results in all governors getting a better understanding of all the issues and increased involvement in decision making. All governors are actively involved in the activities of the school. Governors make use appropriate of training courses both individually and collectively. The Governors perform a yearly self-assessment review as well as a skill matrix to monitor effectiveness. The governors work with the school to ensure that the widest curriculum choice is offered within the financial constraints.

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors receive performance data from the school management team and the Head teacher's report which is robustly reviewed and discussed. It is further supplemented and verified by governor visits to heads of departments and department presentations.

Governance Review

The continuing improvement in exam results in 2018 obtained from a less able cohort shows that The Cowplain School is improving each year. The Governance arrangements continue to be robust and challenging ensuring clarity of vision, ethos and strategic direction. The Governing Body continues to challenge leaders and holds them to account for students' achievement.

Governors effectively compare performance with other like schools both locally and nationally. Performance management is robust and all staff are aware of their performance targets and how to progress. Governors scrutinise and evaluate all staff progression and ensure they oversee and fulfil all financial management requirements.

The pastoral system is based on pupil wellbeing and safeguarding in combination with academic results which has shown a continuing trend of closing the gap between pupil premium students and others. A strategy of enhanced reporting and monitoring data to deliver positive results is working well. Governors take their safeguarding and strategic roles seriously and discharge their duties effectively and with utmost integrity. We have structured our development plan alongside the school's and embedded the new statutory requirements around Prevent, Child Sexual Exploitation, Children Missing in Education and Modern Slavery alongside our current safeguarding procedures.

The refurbishment of the AWP that is underway will ensure that the school will continue to have state of the art sports facilities. Regular updating of our modern display boards to show pupils work encourages learning. We are currently processing a sale of land which will enable the school to have a performing arts centre and will make further improvements to the school when it is prudent to do so.

The Governing Body acknowledges the need to promote the school within its community and reinforce the excellent progress measures that are being achieved throughout a student's journey at The Cowplain School. The recent positive OFSTED report has further raised the school profile in the community and the governors are working to find intuitive ways to further support the school aims and direction. The Improving academic results and a strategic planning revolving around further improving achievement in Teaching and Learning, Behaviour, Safety and Leadership, Management and attendance will continue. Regular reporting from Senior Leadership Team reassures governors that the school can rise to the challenge.

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by, for example, securing agreement from the EFSA, to dispose of unused land.

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The school has again delivered a strong in-year budget surplus for the 2017/18 financial year, at a time when many schools in Hampshire and nationally have recorded a deficit. This has been achieved by investment in the teaching personnel of the school where it was needed, specifically the core subjects, whilst rationalising areas which were over staffed or did not have a direct influence on the quality of teaching and learning provided. In addition, the school has ensured personnel structures are fit for purpose and staff absence is extremely low at around 3%. The school's performance related pay policy sees high performance rewarded appropriately whilst weaker performance has not been rewarded through pay and has been addressed through appropriate procedures. Professional Learning activities continue to generally be delivered 'in-house,' by school staff with expertise in specific areas and are targeted at the school's needs. However, the school has bought into CPD provided by subscription services to PIXL, and Optimus Education, whilst not renewing the subscription to the SSAT. Results have continued to be impressive with attainment measures matching 2017 and achievement measures improving; the school achieved the best progress 8 figures of all the 8 non-selective schools in the Havant area. Attainment of those students qualifying for the pupil premium has also risen and the gap between their outcomes and those of others has been reduced compared to 2017.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Cowplain School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

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

The governing body has considered the need for a specific internal audit function and appointed Moore Stephens from 1 September 2013 as internal auditor.

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Internal Audit Programme for 2017/18 was drawn up by the Auditor and approved by the Finance/Audit Committee at the beginning of the year. The checks this year included:-

- review of the Register of Business Interests and publication of Governance information
- review of Management Report information, purchase cycle and contracts
- review of bank reconciliations
- review of the payroll cycle and testing
- review of the Academies Financial Handbook 2017 Must Do List
- review of ongoing budgets

Three times during the year, Moore Stephens the auditor reported to the board of trustees, through the finance/audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As Accounting Officer, the Headteacher 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 School who have responsibility for the development and maintenance of the internal control framework.

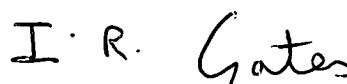
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 4/12/18 and signed on its behalf by:

S Head
Chair



I Gates
HT/AO



THE COWPLAIN SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of The Cowplain School I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Governing Body 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. If any instances are identified after the date of this statement these will be notified to the Governing Body and ESFA.

I.R. Gates

I Gates
Accounting Officer

04 December 2018

THE COWPLAIN SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The governors (who act as trustees for charitable activities of The Cowplain School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Direction published 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 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

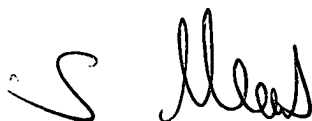
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements 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 ESFA/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 legislation in other jurisdictions.

Approved by order of the members of the governing body on 4/12/18 and signed on its behalf by:

S Head
Chair



THE COWPLAIN SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COWPLAIN SCHOOL

Opinion

We have audited the accounts of The Cowplain School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

THE COWPLAIN SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COWPLAIN SCHOOL (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

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

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE COWPLAIN SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COWPLAIN SCHOOL (CONTINUED)

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

Louise Hastings (Senior Statutory Auditor)
for and on behalf of Moore Stephens (South) LLP

13/12/18

Chartered Accountants
Statutory Auditor

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

THE COWPLAIN SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE COWPLAIN SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 20 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cowplain School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Cowplain School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cowplain School's funding agreement with the Secretary of State for Education dated 1st April 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

This work involved;

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;

THE COWPLAIN SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE COWPLAIN SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Moore Stephens (South) LLP

Reporting Accountant

Moore Stephens (South) LLP

Dated: *15/11/18*

THE COWPLAIN SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	3,154	-	17,686	20,840	(6,217)
Charitable activities:						
- Funding for educational operations	4	-	4,662,235	-	4,662,235	4,924,081
Other trading activities	5	346,206	-	-	346,206	291,556
Investments	6	3,764	-	-	3,764	2,281
Total		353,124	4,662,235	17,686	5,033,045	5,211,701
Expenditure on:						
Charitable activities:						
- Educational operations	8	191,441	4,795,207	291,206	5,277,854	5,648,780
Total	7	191,441	4,795,207	291,206	5,277,854	5,648,780
Net income/(expenditure)		161,683	(132,972)	(273,520)	(244,809)	(437,079)
Transfers between funds	16	(32,798)	19,972	12,826	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	442,000	-	442,000	770,000
Net movement in funds		128,885	329,000	(260,694)	197,191	332,921
Reconciliation of funds						
Total funds brought forward		656,834	(833,241)	18,746,235	18,569,828	18,236,907
Total funds carried forward		785,719	(504,241)	18,485,541	18,767,019	18,569,828

THE COWPLAIN SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds £	General £	Fixed asset £	2017 £
Income and endowments from:					
Donations and capital grants	3	3,409	-	(9,626)	(6,217)
Charitable activities:					
- Funding for educational operations	4	-	4,924,081	-	4,924,081
Other trading activities	5	291,556	-	-	291,556
Investments	6	2,281	-	-	2,281
Total		<u>297,246</u>	<u>4,924,081</u>	<u>(9,626)</u>	<u>5,211,701</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	217,325	5,125,722	305,733	5,648,780
Total	7	<u>217,325</u>	<u>5,125,722</u>	<u>305,733</u>	<u>5,648,780</u>
Net income/(expenditure)		79,921	(201,641)	(315,359)	(437,079)
Transfers between funds	16	(130,321)	(37,502)	167,823	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	770,000	-	770,000
Net movement in funds		<u>(50,400)</u>	<u>530,857</u>	<u>(147,536)</u>	<u>332,921</u>
Reconciliation of funds					
Total funds brought forward		707,234	(1,364,098)	18,893,771	18,236,907
Total funds carried forward		<u>656,834</u>	<u>(833,241)</u>	<u>18,746,235</u>	<u>18,569,828</u>

THE COWPLAIN SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	12	18,435,234	18,702,323
Current assets			
Debtors	13	119,053	112,915
Cash at bank and in hand		1,752,483	1,749,046
		<u>1,871,536</u>	<u>1,861,961</u>
Current liabilities			
Creditors: amounts falling due within one year	14	<u>(202,751)</u>	<u>(328,456)</u>
Net current assets		<u>1,668,785</u>	<u>1,533,505</u>
Net assets excluding pension liability		<u>20,104,019</u>	<u>20,235,828</u>
Defined benefit pension scheme liability	18	<u>(1,337,000)</u>	<u>(1,666,000)</u>
Net assets		<u><u>18,767,019</u></u>	<u><u>18,569,828</u></u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		18,485,541	18,746,235
- Restricted income funds		832,759	832,759
- Pension reserve		<u>(1,337,000)</u>	<u>(1,666,000)</u>
Total restricted funds		<u>17,981,300</u>	<u>17,912,994</u>
Unrestricted income funds	16	<u>785,719</u>	<u>656,834</u>
Total funds		<u><u>18,767,019</u></u>	<u><u>18,569,828</u></u>

The accounts on pages 22 to 45 were approved by the governors and authorised for issue on 04 December 2018 and are signed on their behalf by:

S Head
Chair



Company Number 07954363

THE COWPLAIN SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		60,108		(37,970)
Cash flows from investing activities					
Dividends, interest and rents from investments		3,764		2,281	
Capital grants from DfE Group		17,686		(9,626)	
Purchase of tangible fixed assets		(24,117)		(464,477)	
Net cash used in investing activities			(2,667)		(471,822)
Cash flows from financing activities					
Repayment of long term bank loan		(50,559)		(49,441)	
Finance costs		(3,445)		(2,620)	
Net cash used in financing activities			(54,004)		(52,061)
Net increase/(decrease) in cash and cash equivalents in the reporting period			3,437		(561,853)
Cash and cash equivalents at beginning of the year			1,749,046		2,310,899
Cash and cash equivalents at end of the year			1,752,483		1,749,046

THE COWPLAIN SCHOOL

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

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Cowplain School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

Assets costing £ 2,000 per item or £4,000 per batch of computers 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/reducing balance basis over its expected useful life, as follows:

Land and buildings	Buildings 2% straight line, land not depreciated
Computer equipment	33% Straight line
Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Reducing balance

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.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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.

1.9 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 quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education

1.11 Financial instruments

The only financial instruments held by the school are debtors and creditors. These are categorised as "basic" in accordance with Section 11 of FRS102 and are initially recorded at transaction price. These are subsequently measured at their transaction price less any impairment.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

On conversion to an academy trust, the assets and liabilities of the School are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, refer to note 11 for further detail of this estimation.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

On conversion to an academy trust, the assets and liabilities of the School are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, refer to note 11 for further detail of this estimation.

Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation refer to Note 13 for further detail of this estimation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	17,686	17,686	(9,626)
Other donations	3,154	-	3,154	3,409
	<u>3,154</u>	<u>17,686</u>	<u>20,840</u>	<u>(6,217)</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,394,044	4,394,044	4,658,944
Other DfE group grants	-	188,063	188,063	198,348
	-	4,582,107	4,582,107	4,857,292
Other government grants				
Local authority grants	-	36,842	36,842	55,295
Special educational projects	-	43,286	43,286	11,494
	-	80,128	80,128	66,789
Total funding	-	4,662,235	4,662,235	4,924,081

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	81,614	-	81,614	75,352
Catering income	91,081	-	91,081	73,904
Music tuition	8,760	-	8,760	5,655
Visits and trip income	61,874	-	61,874	89,140
Other income	102,877	-	102,877	47,505
	346,206	-	346,206	291,556

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Other investment income	3,764	-	3,764	2,281

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	2,859,173	-	419,147	3,278,320	3,511,157
- Allocated support costs	1,061,487	706,877	231,170	1,999,534	2,137,623
	<u>3,920,660</u>	<u>706,877</u>	<u>650,317</u>	<u>5,277,854</u>	<u>5,648,780</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	9,175	6,350
- Other services	3,585	5,429
Operating lease rentals	11,093	15,087
Depreciation of tangible fixed assets	291,206	305,733
Bank and loan interest	3,445	2,620
Net interest on defined benefit pension liability	39,000	43,000
	<u></u>	<u></u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	99,836	3,178,484	3,278,320	3,511,157
Support costs				
Educational operations	91,605	1,907,929	1,999,534	2,137,623
	<u>191,441</u>	<u>5,086,413</u>	<u>5,277,854</u>	<u>5,648,780</u>

Analysis of costs

	2018 £	2017 £
Direct costs		
Teaching and educational support staff costs	2,825,272	3,005,610
Staff development	33,901	32,810
Technology costs	42,615	47,157
Educational supplies and services	180,802	181,243
Examination fees	70,129	81,732
Other direct costs	125,601	162,605
	<u>3,278,320</u>	<u>3,511,157</u>
Support costs		
Support staff costs	1,061,487	1,148,715
Depreciation	291,206	305,733
Technology costs	5,838	9,915
Maintenance of premises and equipment	163,059	202,100

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities	(Continued)	
Cleaning	123,806	118,160
Energy costs	71,603	74,502
Rent, rates and other occupancy costs	32,266	32,124
Insurance	24,937	27,354
Security and transport	38,446	41,273
Catering	68,644	57,774
Finance costs	42,445	45,620
Other support costs	51,226	49,124
Governance costs	24,571	25,229
	<u>1,999,534</u>	<u>2,137,623</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	2,962,091	3,157,344
Social security costs	256,441	251,356
Pension costs	587,960	622,225
Staff costs	<u>3,806,492</u>	<u>4,030,925</u>
Agency staff costs	75,917	97,450
Staff restructuring costs	4,350	25,950
Staff development and other staff costs	<u>33,901</u>	<u>32,810</u>
Total staff expenditure	<u>3,920,660</u>	<u>4,187,135</u>

Staff restructuring costs comprise:

Redundancy payments	<u>4,350</u>	<u>25,950</u>
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Staff numbers

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

	2018 Number	2017 Number
Teachers	50	49
Administration and support	64	68
Management	<u>5</u>	<u>6</u>
	<u>119</u>	<u>123</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £427,108 (2017: £427,312).

10 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year, travel and subsistence payments of £648 (2017: £500) were reimbursed to 1 trustee (2017: 2).

The value of governors' remuneration was as follows:

I Gates (Headteacher) £90,000-£95,000 & pension £15,000-£20,000 (2017: £85,000-£90,000 & pension £10,000-£15,000)
L Berrecloth (staff) £45,000-£50,000 & pension £5,000-£10,000 (2017: £45,000-£50,000 & pension £5,000-£10,000)
J Salsbury (staff) £45,000-£50,000 & pension £5,000-£10,000 (2017: £nil)
T London (staff) £20,000-£25,000 & pension £nil-£5,000 (2017: £nil)
S Cornell (staff) £nil (2017: £40,000-£45,000 & pension £5,000-£10,000)

Other related party transactions involving the governors are set out within the related parties note.

11 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was £202 (2017: £340).

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	20,021,340	116,499	178,939	10,913	20,327,691
Additions	4,163	14,070	5,884	-	24,117
At 31 August 2018	20,025,503	130,569	184,823	10,913	20,351,808
Depreciation					
At 1 September 2017	1,351,696	114,151	150,928	8,593	1,625,368
Charge for the year	273,206	9,275	8,145	580	291,206
At 31 August 2018	1,624,902	123,426	159,073	9,173	1,916,574
Net book value					
At 31 August 2018	18,400,601	7,143	25,750	1,740	18,435,234
At 31 August 2017	18,669,644	2,348	28,011	2,320	18,702,323

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by Hampshire County Council as at 31 August 2012. The land is valued at £6,365,200 and the buildings at £11,978,555. This was done as a separate valuation to the EFA valuation which has been disregarded, no others are planned for the near future.

13 Debtors

	2018 £	2017 £
Trade debtors	6,965	11,816
VAT recoverable	46,035	32,316
Prepayments and accrued income	66,053	68,783
	119,053	112,915

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Government loans	-	50,559
Trade creditors	84,012	106,367
Other taxation and social security	68,530	71,702
Other creditors	1,290	860
Accruals and deferred income	48,919	98,968
	202,751	328,456

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	25,168	23,113
	Deferred income at 1 September 2017	23,113	34,073
	Released from previous years	(23,113)	(34,073)
	Amounts deferred in the year	25,168	23,113
	Deferred income at 31 August 2018	25,168	23,113

Deferred income relates to income which was received in the year to 31 August 2018 but relates to the year to 31 August 2019. Details of the amounts deferred at the year end are as follows:

Rates £14,810
Trips & Educational Activities £8,343
Ad-hoc Grants £2,015

16	Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	Restricted general funds					
	General Annual Grant (GAG)	832,759	4,394,044	(4,414,016)	19,972	832,759
	Other DfE / ESFA grants	-	188,063	(188,063)	-	-
	Other government grants	-	80,128	(80,128)	-	-
	Pension reserve	(1,666,000)	-	(113,000)	442,000	(1,337,000)
		(833,241)	4,662,235	(4,795,207)	461,972	(504,241)
	Restricted fixed asset funds					
	DfE group capital grants	18,746,235	17,686	(291,206)	12,826	18,485,541
	Total restricted funds	17,912,994	4,679,921	(5,086,413)	474,798	17,981,300
	Unrestricted funds					
	General funds	656,834	353,124	(191,441)	(32,798)	785,719
	Total funds	18,569,828	5,033,045	(5,277,854)	442,000	18,767,019

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

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

Restricted General Funds are those which are supplied for a specific duty and the funds spent only in accordance with the agreement or restriction placed upon each.

Restricted Fixed Asset Funds are those which have been capitalised when the academy converted in 2012 or assets which have subsequently been purchased using grants or income from one of the other restricted or unrestricted funds, plus EFA capital grants unspent at the year end.

Unrestricted Funds are all other sources of income generated by the academy through trading or fundraising and to which no restrictions apply regarding the way they are spent.

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 2018.

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	911,902	4,658,944	(4,700,585)	(37,502)	832,759
Other DfE / ESFA grants	-	198,348	(198,348)	-	-
Other government grants	-	66,789	(66,789)	-	-
Pension reserve	(2,276,000)	-	(160,000)	770,000	(1,666,000)
	<u>(1,364,098)</u>	<u>4,924,081</u>	<u>(5,125,722)</u>	<u>732,498</u>	<u>(833,241)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>18,893,771</u>	<u>(9,626)</u>	<u>(305,733)</u>	<u>167,823</u>	<u>18,746,235</u>
Total restricted funds	<u>17,529,673</u>	<u>4,914,455</u>	<u>(5,431,455)</u>	<u>900,321</u>	<u>17,912,994</u>
Unrestricted funds					
General funds	<u>707,234</u>	<u>297,246</u>	<u>(217,325)</u>	<u>(130,321)</u>	<u>656,834</u>
Total funds	<u>18,236,907</u>	<u>5,211,701</u>	<u>(5,648,780)</u>	<u>770,000</u>	<u>18,569,828</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	911,902	9,052,988	(9,114,601)	(17,530)	832,759
Other DfE / ESFA grants	-	386,411	(386,411)	-	-
Other government grants	-	146,917	(146,917)	-	-
Pension reserve	(2,276,000)	-	(273,000)	1,212,000	(1,337,000)
	<u>(1,364,098)</u>	<u>9,586,316</u>	<u>(9,920,929)</u>	<u>1,194,470</u>	<u>(504,241)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>18,893,771</u>	<u>8,060</u>	<u>(596,939)</u>	<u>180,649</u>	<u>18,485,541</u>
Total restricted funds	<u>17,529,673</u>	<u>9,594,376</u>	<u>(10,517,868)</u>	<u>1,375,119</u>	<u>17,981,300</u>
Unrestricted funds					
General funds	<u>707,234</u>	<u>650,370</u>	<u>(408,766)</u>	<u>(163,119)</u>	<u>785,719</u>
Total funds	<u>18,236,907</u>	<u>10,244,746</u>	<u>(10,926,634)</u>	<u>1,212,000</u>	<u>18,767,019</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	18,435,234	18,435,234
Current assets	795,466	1,025,763	50,307	1,871,536
Creditors falling due within one year	(9,747)	(193,004)	-	(202,751)
Defined benefit pension liability	-	(1,337,000)	-	(1,337,000)
Total net assets	<u>785,719</u>	<u>(504,241)</u>	<u>18,485,541</u>	<u>18,767,019</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	18,702,323	18,702,323
Current assets	667,775	1,150,274	43,912	1,861,961
Creditors falling due within one year	(10,941)	(317,515)	-	(328,456)
Defined benefit pension liability	-	(1,666,000)	-	(1,666,000)
Total net assets	656,834	(833,241)	18,746,235	18,569,828

18 Pension and similar obligations

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

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 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £310,795 (2017: £317,404).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.1% for employers and between 6% and 7.5% for employees.

In order to address the pension deficit, the academy has paid an additional £78,482 in employer contributions over the year to 31 August 2018 (2017: £65,833).

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.

Total contributions made	2018 £	2017 £
Employer's contributions	196,000	177,000
Employees' contributions	53,000	49,000
Total contributions	249,000	226,000

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.0	2.0

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

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

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2018 and the projected service cost for the period ending 31 August 2019 is set out below.

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	4.513	4.622	4.733
% change in present value of total obligation	-2.4%		2.4%
Projected service cost (£M)	0.249	0.257	0.265
Approximate % change in projected service cost	-3.1%		3.2%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	4.658	4.622	4.586
% change in present value of total obligation	0.8%		-0.8%
Projected service cost (£M)	0.257	0.257	0.257
Approximate % change in projected service cost	0.0%		0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	4.647	4.573	4.500
% change in present value of total obligation	1.6%		-1.6%
Projected service cost (£M)	0.265	0.257	0.249
Approximate % change in projected service cost	3.2%		-3.1%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	Base figure	+1 year
Present value of total obligation (£M)	4.752	4.622	4.492
% change in present value of total obligation	2.8%		-2.8%
Projected service cost (£M)	0.266	0.257	0.248
Approximate % change in projected service cost	3.4%		-3.4%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	2,099,115	1,779,084
Gilts	752,265	720,936
Other bonds	39,420	31,977
Cash	75,555	87,210
Property	226,665	188,955
Other assets	91,980	98,838
Total market value of assets	3,285,000	2,907,000

The actual return on scheme assets was £215,000 (2017: £37,000).

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	74,000	117,000
Interest income	(75,000)	(56,000)
Interest cost	114,000	99,000
Total operating charge	113,000	160,000

Changes in the present value of defined benefit obligations	2018 £
At 1 September 2017	4,573,000
Current service cost	270,000
Interest cost	114,000
Employee contributions	53,000
Actuarial gain	(302,000)
Benefits paid	(86,000)
At 31 August 2018	4,622,000

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2018 £
At 1 September 2017	2,907,000
Interest income	75,000
Actuarial (gain)/loss	140,000
Employer contributions	196,000
Employee contributions	53,000
Benefits paid	(86,000)
At 31 August 2018	3,285,000

19 Reconciliation of net expenditure to net cash flows from operating activities

	2018 £	2017 £
Net expenditure for the reporting period	(244,809)	(437,079)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(17,686)	9,626
Investment income	(3,764)	(2,281)
Financing costs	3,445	2,620
Defined benefit pension costs less contributions payable	74,000	117,000
Defined benefit pension net finance cost/(income)	39,000	43,000
Depreciation of tangible fixed assets	291,206	305,733
(Increase)/decrease in debtors	(6,138)	323,594
Increase/(decrease) in creditors	(75,146)	(400,183)
Net cash provided by operating activities	60,108	(37,970)

20 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	9,919	11,093
Amounts due in two and five years	14,371	15,705
	24,290	26,798

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Capital commitments

There were no capital commitments to disclose for the current year end (2017: £nil).

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have 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.

No related party transactions took place in the period of account.

23 Members' liability

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