

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 2020

THE COWPLAIN SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of governors' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 45

THE COWPLAIN SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

S Head
L Harbour
S Young
G Taylor

Governors

S Head (Chair)
L Berrecloth
I Gates (Accounting Officer)
L Harbour
S Young
G Taylor
B Tewari
M Holding (Resigned 29 September 2020)
C Scott
Mrs R C Hammond
Dr M E Hosseini-Ashrafi (Resigned 29 September 2020)
Mr D C Middleton (Resigned 16 February 2020)

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)

Principal and registered office

Hart Plain Avenue
Waterlooville
Hampshire
PO8 8RY

Independent auditor

Moore (South) LLP
City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

Bankers

Nat West Bank Pic
London Road
Waterlooville
Hampshire

THE COWPLAIN SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

THE COWPLAIN SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 Waterlooville. It has a pupil capacity of 1080 and had a roll of 819 in the school census in October 2019.

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 (formerly known as Cowplain Community 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 (£10,000,000) as part of the Government RPA insurance scheme.

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
- Up to 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 2020

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.

The Headteacher is the Accounting Officer.

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, and 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 2020

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	2,992,308
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 School 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 School; 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 record GCSE results. 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 2019/20 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 2020

Objectives, strategies and activities

The School's Action Plan focusses on 6 main strands:

- Curriculum
- Developing citizens
- Behaviour
- Teaching and Learning
- Ensuring budget is maintained
- Raising the profile of staff leadership

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 moves beyond the core task of providing a high quality rounded education for 11 -16 year olds. We provide opportunities and support for 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 to enhance their life chances. We contribute to the training of PGCE teachers and participate in School Direct teacher training (SCITT). We also remain one of the biggest employers in the area.

Value for money has been achieved by recording examination results that show year on year improvement in attainment against a backdrop of reduced resources.

Strategic report

Achievements and performance

Results in 2020 saw another improvement in attainment, resulting in record results for the school. 62% of students achieved English and Maths GCSEs at Grade 4, with 40% achieving at Grade 5. In this unusual year, there were no scores given for Progress 8 or Attainment 8. The number of 7-9 grades also increased to 19%, as did the percentage of grades awarded at Level 4 or above, which increased from 61% to 73%. Results for those qualifying for the Pupil Premium in 2019 saw attainment increase, although attainment for PP students was still behind that of their peers, especially for disadvantaged boys.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

GCSE / Level 2 Results 2020

Subject Name	4+	7+	Subject Name	4+	7+
Art	80	20	Hair and Beauty	80	0
Biology	95	63	Health and Fitness	63	13
Business Studies	65	15	History	61	21
Chemistry	100	44	iMedia	63	13
Computer Science	63	25	Maths	71	9
Dance	90	40	Media	77	20
Drama	83	21	Music	100	54
E & P	73	22	Photography	92	23
Engineering	81	11	Physics	100	44
English Language	72	18	Psychology	82	18
English Literature	70	17	Science Trilogy	62	6
Food Preparation	85	31	Sport GCSE	91	18
French	100	31	Statistics	75	75
Geography	76	31			

Provisional Attendance information

Attendance rates are unavailable due to the ongoing COVID 19 crisis.

Provisional Exclusion information

Exclusions increased slightly during 2019/20 due to the introduction of a more rigorous behaviour system.

	% Enrolments with 1 or more fixed term exclusion (no of students)							
	School 2013/14	School 2014/15	School 2015/16	School 2016/17	School 2017/18	School 2018/19	School 2019/20	School 2020/21
All Pupils	4.00	3.94	3.26	3.48	4.7	7.46	6.04	1.91
Male	5.37	4.86	4.44	5.39	0.19	8.66	8.7	1.78
Female	2.60	2.93	1.96	1.05	2.94	6.11	3.4	2.05
FSM/PP	8.10	10.79	12.31	7.29	9.72	9.95	8.14	3.36
No FSM/PP	2.46	1.58	1.52	1.86	2.36	6.37	4.9	1.18
English 1st Language	4.00	3.94	3.26	3.48	4.7	7.46	6.04	1.91
Other than English	0.00	0	0	0	0	0	0	0
Unclassified	0.00	0	0	0	0	0	0	0
No SEN	2.78	3.88	2.79	2.44	4.14	7.15	7	1.66
SEN no Statement/ EHCP	8.18	9.4	5.66	8.73	6.86	9.09	10	4.59
SEN Statement/EHCP	15.38	15.38	16.6	28.57	28.57	12.5	9	0
Permanent Exclusions	0.00	0.21	0.2	0.24	0.24	0.26	0.36	0

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Number on Roll (Census October 2019)

Year	Total	Male	Female
11	144	80	64
10	149	78	71
9	194	93	101
8	144	71	73
7	196	86	110
Total	827 *	408	419

*includes 8 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 General Annual Grant from the Department for Education (via the Education Skills and Funding Agency) is the main source of income to the Academy, the use of which is restricted to the purposes of education. In September 2019, the NOR increased to 819 but due to lagged funding, the allocation for 2019/20 was based on the previous years' NOR of 772 students. This meant that staffing levels had to be maintained for an additional 47 students for which there was no funding.

Despite this and the challenges faced during the Lockdown period, the financial position to August 2020 was positive and expenditure in the year was significantly reduced. This was mainly due to reduced staffing costs and efficiency savings made throughout the year.

During the Lockdown period, some contracts were suspended resulting in unexpected savings in the year. However, there were additional costs incurred for IT equipment, resources and for the implementation of significant health and safety measures in preparation for the full reopening of the School in September 2020.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The closing position of the reserves as at 31 August 2020 are as follows:

Restricted general funds (excluding pension reserve)	£910,089
Pension reserve	£(3,110,000)
Fixed asset fund	£18,360,179
Unrestricted funds	£580,466
Total funds	£16,740,734

The in-year deficit is therefore £229,122. This agrees to the change in balance of restricted general funds plus unrestricted funds excluding the pension reserve.

The Academy has inherited the deficit in the Local Government Pension Scheme, in respect of its non-teaching staff. The deficit is incorporated within the Statement of Financial Activities with details in Note 18 to the financial statements. The existence of the pension scheme and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme.

The total income for the period exceeded the expenditure by £39,983 (excluding restricted fixed asset fund and pension reserve).

The Accounts show that the main incoming resources were from educational funding totalling £4,685,490. Additionally, income from activities for generating funds was £231,096. The main expenditure was on staff salaries totalling £4,255,083. Other significant expenditure was £362,552 on educational supplies.

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. 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 held at 31 August 2020 was £910,089. The value of reserves available for general purposes held at 31 August 2020 was £330,000, 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 2020 was £580,466.

Disclosure of funds in deficit is also included in the Funds Note in the financial statements (note 18). The only fund in deficit is the pension reserve.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 are reviewed annually.

Principal risks and uncertainties

During the period ended 31 August 2020, a risk register has been in place 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 12-16.

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. Pleasingly, the 2020 intake is the biggest in the school, with 207 students joining the school in year 7. However, there are still fluctuating numbers of children in the local area.

We are also experiencing severe uncertainty due to the ongoing COVID 19 crisis which may further affect funding and school budgets. For example, the crisis has already necessitated the spending of significant funds on cleaning equipment, additions to the site etc... Also, there may be an impact on supply costs should teachers fall sick.

As of the last 8 years the school returned an in year surplus budget in 2019/20 and, despite the uncertainties of the forthcoming year, is determined to do so again. Further investment, however, will be made in teaching personnel and resources to raise standards. Income is being driven by effective marketing to increase numbers in next year's year 7 and also by increased hiring of community facilities. Despite suffering disappointment of developers withdrawing from a commitment to buying surplus land at the school, Governors have decided to remarket the land, which may increase income in 2021/22.

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.

Financial and risk management objectives and policies

There is little exposure to any financial instruments other than the use of cash, bank balances, trade creditors, and limited trade (and other) debtors. The school monitors its cash flow and liquidity risks on a monthly basis, and the financial risks are deemed to be low. The funding of the Local Government Pension Scheme remains the major non-operational financial risk.

THE COWPLAIN SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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. 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.

The Trust does not work with any third party commercial participators or professional fundraisers to raise funds. There have been no fundraising complaints during 2019/20.

Fundraising projects for the school are sometimes managed through limited other communications with parents.

Streamlined energy and carbon reporting

The Cowplain School does not meet the qualifying criteria for a large charitable company and is therefore not required to report in this section.

Plans for future periods

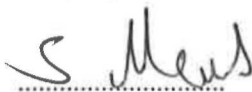
The School Action Plan details the strategy to improve standards. The plans for the school are for standards to continue to improve and that the school continues to strive for excellence, with targets aiming to place the school in the 20th Centile for FFT. The percentage of students achieving Level 4 in English and Maths is targeted at between 59%-68%, between the 30th/50th centiles. For Level 5, targets range from 34%-42%. However, it is clear that the ongoing COVID crisis may very well affect these ambitions. Similarly, it is impossible to target Attendance and exclusion figures due to the uncertain impact of the crisis on health and behaviour and the increasing challenge due to the rise in the complexity of children joining the school. To achieve this, resources will continue to 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 a glazing solution for the maths building, which we intend to submit as revised bids in 2020 having narrowly missed out on receiving them in 2019.

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 19/12/20 and signed on its behalf by:



S Head
Chair

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 eight 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)	8	8
L Berrecloth	7	8
I Gates (Accounting Officer)	8	8
L Harbour	7	8
S Young	6	8
G Taylor	6	8
B Tewari	8	8
M Holding (Resigned 29 September 2020)	4	8
C Scott	7	8
Mrs R C Hammond	8	8
Dr M E Hosseini-Ashrafi (Resigned 29 September 2020)	1	8
Mr D C Middleton (Resigned 16 February 2020)	2	4

This has been a challenging year for all schools due to the outbreak of COVID-19 resulting in school closures and cancelation of exams. However, the school remained open every single working day of lockdown, including all bank holidays. The school has worked hard to support students with home learning and on line support. Vulnerable and at risk students have been assisted by the pastoral Team.

The arrangements for students return to school for the autumn term have been effective, with students and parents being kept fully informed at all times. The school management team have developed inventive solutions and procedures, including partitioning of the school and enhanced cleaning and hygiene which has maximised student and staff safety. Due to COVID-19 restrictions Governor Meetings have taken place on-line and using e-mail as appropriate.

The school produced a robust set of Centre Assessed Grades (CAGs) which showed a continued improvement for the seventh year running and demonstrate that The Cowplain School is further building on its success.

The Governance arrangements monitor school performance as a critical friend to promote 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 the 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 COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The pastoral system is based on pupil wellbeing and safeguarding in combination with academic results and a strong focus on closing the gap between pupil premium students and other; although the gap widened slightly this year, the trend is improving. A strategy of enhanced reporting and monitoring data to deliver positive results continues to work 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 all the statutory requirements around Prevent, Child Sexual Exploitation, Children Missing in Education and Modern Slavery into our current safeguarding procedures. Policies have been updated to include the additional requirements due to COVID-19. The enhancement to the behaviour policy continues to produce a significant improvement to the learning environment. Additional resources have been allocated for challenging pupils to keep them in main school education.

We are continuing to process the sale of land which will enable the school to have a performing arts centre. We will make further improvements to the school when it is prudent to do so. The school will continue to provide facilities for community use.

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 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. Areas for further improvement have been identified and the governors are working to find intuitive ways to further support the school aims and direction. Regular reporting from Senior Leadership Team reassures governors that the school can rise to the challenge.

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

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
S Head (Chair)	5	5
I Gates (Accounting Officer)	5	5
G Taylor	4	5
B Tewari	2	5
M Holding (Resigned 29 September 2020)	2	5
C Scott	3	5
Mrs R C Hammond	5	5
Mr D C Middleton (Resigned 16 February 2020)	2	3

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Audit Committee is a sub-committee of the Full Governing Body. Its purpose is:-

- to directing the trusts programme of internal scrutiny and reporting to the board on the adequacy of the trusts financial and other controls and management risks.
- To produce an internal audit programme of work for the year to provide assurance on the financial controls and risk.
- To produce and monitor the risk register and report on any concerns.
- To review the Internal Audit Reports issued by the Auditors and ensure that responses are made to any findings or recommendations and that all required actions are implemented.

All the work of the governing body is done at the main FGB with a subcommittee for Finance. An Audit Committee has been introduced which will provide additional financial monitoring. This results in all governors getting a better understanding of all the issues and gives increased involvement in decision making.

All governors are actively involved in the activities of the school. Governors make use of appropriate 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 Governors receive detailed 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

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
G Taylor	1	1
C Scott	1	1
Mrs R C Hammond	1	1

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 continuing the improvement in standards of attainment seen in the school over the last 7 years.

The school has again delivered a strong in-year budget surplus for the 2019/20 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. Teachers and support staff resources are maximised fully, with teachers teaching up to their statutory teaching maximum load. SLT is small, with all Assistant Headteachers teaching 40%+ of their timetable. Personnel structures are fit for purpose and staff absence continues to be extremely low. The school's appraisal policy sees high performance rewarded appropriately whilst weaker performance has not been rewarded through pay and has been addressed through appropriate procedures.

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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. This continued even during the lockdown period, with 'virtual' CPD being delivered. The school has dispensed with all other CPD providers apart from Optimus Education.

Achievement measures match the other 8 schools in the local area. In short, by increasing standards, the school represents excellent value for money at a time of austerity and reduced funding.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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 (South) LLP from 1 September 2013 as internal auditor.

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 2019/20 was drawn up by the Audit Committee and approved by the FGB/Finance Committee during the year. The checks this year included:-

- review of the Academies Financial Handbook 2019 Must Do List
- review of Audit Committee terms of reference
- review of month end procedures
- review of Management Report information
- review 2019 Audit Management Letter points

The annual programme of three internal audits was reduced to one this year due to the Lockdown restrictions. The internal auditor reported to the board of trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

THE COWPLAIN SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 10/12/20 and signed on its behalf by:



S Head
Chair



I Gates
Accounting Officer

THE COWPLAIN SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of The Cowplain School, I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of governors 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 2020.

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

J. R. Gates

J Gates
Accounting Officer

10/12/20

THE COWPLAIN SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The governors (who act as trustees for The Cowplain School and are also the directors of The Cowplain School for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law, the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 10/12/20... and signed on its behalf by:



S Head
Chair

THE COWPLAIN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of The Cowplain School for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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 governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. 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)

FOR THE YEAR ENDED 31 AUGUST 2020

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 trustees' report (which includes the strategic report and directors' 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report, included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 (who are also the directors of the academy trust for the purposes of company law) 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 academy trust, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

Hastings

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

15/12/20

Chartered Accountants
Statutory Auditor

City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

THE COWPLAIN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore (South) LLP

Reporting Accountant
Moore (South) LLP

Dated: 15/12/20

THE COWPLAIN SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	2,600	-	17,117	19,717
Charitable activities:					
- Funding for educational operations	4	-	4,685,490	-	4,685,490
Other trading activities	5	231,096	-	-	231,096
Investments	6	8,799	-	-	8,799
Total		242,495	4,685,490	17,117	4,945,102
Expenditure on:					
Charitable activities:					
- Educational operations	8	253,955	4,909,698	303,571	5,467,224
Total	7	253,955	4,909,698	303,571	5,467,224
Net expenditure		(11,460)	(224,208)	(286,454)	(522,122)
Transfers between funds	16	32,154	(49,503)	17,349	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(580,000)	-	(580,000)
Net movement in funds		20,694	(853,711)	(269,105)	(1,102,122)
Reconciliation of funds					
Total funds brought forward		559,772	(1,346,200)	18,629,284	17,842,856
Total funds carried forward		580,466	(2,199,911)	18,360,179	16,740,734

THE COWPLAIN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	5,245	-	231,112	236,357
Charitable activities:					
- Funding for educational operations	4	-	4,658,699	-	4,658,699
Other trading activities	5	278,936	-	-	278,936
Investments	6	8,012	-	-	8,012
Total		<u>292,193</u>	<u>4,658,699</u>	<u>231,112</u>	<u>5,182,004</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	287,111	4,692,751	303,305	5,283,167
Total	7	<u>287,111</u>	<u>4,692,751</u>	<u>303,305</u>	<u>5,283,167</u>
Net income/(expenditure)		5,082	(34,052)	(72,193)	(101,163)
Transfers between funds	16	(231,029)	15,093	215,936	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(823,000)	-	(823,000)
Net movement in funds		<u>(225,947)</u>	<u>(841,959)</u>	<u>143,743</u>	<u>(924,163)</u>
Reconciliation of funds					
Total funds brought forward		785,719	(504,241)	18,485,541	18,767,019
Total funds carried forward		<u>559,772</u>	<u>(1,346,200)</u>	<u>18,629,284</u>	<u>17,842,856</u>

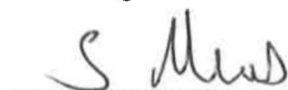
THE COWPLAIN SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		18,305,334		18,571,364
Current assets					
Debtors	13	111,307		107,798	
Cash at bank and in hand		1,763,200		1,697,945	
		<u>1,874,507</u>		<u>1,805,743</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(329,107)		(297,251)	
Net current assets			1,545,400		1,508,492
Net assets excluding pension liability			19,850,734		20,079,856
Defined benefit pension scheme liability	18		(3,110,000)		(2,237,000)
Total net assets			<u>16,740,734</u>		<u>17,842,856</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			18,360,179		18,629,284
- Restricted income funds			910,089		890,800
- Pension reserve			(3,110,000)		(2,237,000)
Total restricted funds			<u>16,160,268</u>		<u>17,283,084</u>
Unrestricted income funds	16		580,466		559,772
Total funds			<u>16,740,734</u>		<u>17,842,856</u>

The accounts on pages 24 to 45 were approved by the governors and authorised for issue on 10/12/20 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 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		80,344		149,352
Cash flows from investing activities					
Dividends, interest and rents from investments		8,799		8,012	
Capital grants from DfE Group		16,926		59,735	
Capital funding received from sponsors and others		191		171,377	
Purchase of tangible fixed assets		(37,541)		(439,435)	
Net cash used in investing activities			(11,625)		(200,311)
Cash flows from financing activities					
Finance costs		(3,464)		(3,579)	
Net cash used in financing activities			(3,464)		(3,579)
Net increase/(decrease) in cash and cash equivalents in the reporting period			65,255		(54,538)
Cash and cash equivalents at beginning of the year			1,697,945		1,752,483
Cash and cash equivalents at end of the year			<u>1,763,200</u>		<u>1,697,945</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

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

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 2020

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 2020

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 of services it must provide.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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 COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

1.11 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.

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

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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 12 for further detail of this estimation.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	17,117	17,117	231,112
Other donations	2,600	-	2,600	5,245
	<u>2,600</u>	<u>17,117</u>	<u>19,717</u>	<u>236,357</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,363,938	4,363,938	4,389,561
Other DfE group grants	-	193,949	193,949	197,553
	<u>-</u>	<u>4,557,887</u>	<u>4,557,887</u>	<u>4,587,114</u>
Other government grants				
Local authority grants	-	54,358	54,358	35,744
Special educational projects	-	46,485	46,485	35,841
Exceptional government funding				
Coronavirus job retention scheme grant	-	26,760	26,760	-
	<u>-</u>	<u>127,603</u>	<u>127,603</u>	<u>71,585</u>
Total funding	<u>-</u>	<u>4,685,490</u>	<u>4,685,490</u>	<u>4,658,699</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	73,716	-	73,716	63,943
Catering income	66,626	-	66,626	93,661
Music tuition	6,380	-	6,380	7,040
Visits and trip income	36,545	-	36,545	59,412
Other income	47,829	-	47,829	54,880
	<u>231,096</u>	<u>-</u>	<u>231,096</u>	<u>278,936</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £	
	Other investment income	8,799	-	8,799	8,012	
<hr/>						
7	Expenditure	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2020 £	Total 2019 £
	Academy's educational operations					
	- Direct costs	2,945,837	-	401,733	3,347,570	3,258,833
	- Allocated support costs	1,309,246	694,019	116,389	2,119,654	2,024,334
		4,255,083	694,019	518,122	5,467,224	5,283,167
<hr/>						
	Net income/(expenditure) for the year includes:			2020	2019	
				£	£	
	Fees payable to auditor for:					
	- Audit			7,300	6,550	
	- Other services			6,333	6,749	
	Operating lease rentals			9,030	9,919	
	Depreciation of tangible fixed assets			303,571	303,305	
	Bank and loan interest			3,464	3,579	
	Net interest on defined benefit pension liability			(33,000)	35,000	
<hr/>						
8	Charitable activities	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £	
	Direct costs					
	Educational operations	123,836	3,223,734	3,347,570	3,258,833	
	Support costs					
	Educational operations	130,119	1,989,535	2,119,654	2,024,334	
		253,955	5,213,269	5,467,224	5,283,167	

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities	(Continued)	
Analysis of costs	2020	2019
	£	£
Direct costs		
Teaching and educational support staff costs	2,945,837	2,798,956
Staff development	16,434	26,364
Technology costs	36,884	20,886
Educational supplies and services	210,363	226,538
Examination fees	46,660	64,197
Other direct costs	91,392	121,892
	<u>3,347,570</u>	<u>3,258,833</u>
Support costs		
Support staff costs	1,309,246	1,037,740
Depreciation	303,571	303,305
Technology costs	5,767	6,854
Maintenance of premises and equipment	148,436	186,930
Cleaning	97,364	128,771
Energy costs	89,300	87,514
Rent, rates and other occupancy costs	37,155	37,939
Insurance	18,193	20,296
Security and transport	24,811	38,436
Catering	52,296	67,437
Finance costs	(29,536)	38,579
Other support costs	37,278	45,742
Governance costs	25,773	24,791
	<u>2,119,654</u>	<u>2,024,334</u>
9 Staff		
Staff costs		
Staff costs during the year were:	2020	2019
	£	£
Wages and salaries	2,992,308	2,953,606
Social security costs	239,158	255,296
Pension costs	978,854	568,481
	<u>4,210,320</u>	<u>3,777,383</u>
Staff costs - employees	4,210,320	3,777,383
Agency staff costs	44,763	59,313
	<u>4,255,083</u>	<u>3,836,696</u>
Staff development and other staff costs	16,434	26,364
	<u>4,271,517</u>	<u>3,863,060</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	48	45
Administration and support	61	62
Management	5	5
	<u>114</u>	<u>112</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1

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 £484,637 (2019: £441,948).

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 £45 (2019: £580) were reimbursed to 1 trustee (2019: 1).

The value of governors' remuneration was as follows:

I Gates (Headteacher and trustee):

Remuneration £90,000 - £95,000 (2019: £90,000 - £95,000)
Employer's pension contributions paid £15,000 - £20,000 (2019: £15,000 - £20,000)

L Berrecloth (staff trustee):

Remuneration £45,000 - £50,000 (2019: £45,000 - £50,000)
Employer's pension contributions paid £5,000 - £10,000 (2019: £5,000 - £10,000)

J Salsbury (staff trustee):

Remuneration £nil (2019: £45,000 - £50,000)
Employer's pension contributions paid £nil (2019: £5,000 - £10,000)

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

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Insurance for governors and officers

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 2020 was £404 (2019: £202).

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	20,442,210	143,289	194,831	10,913	20,791,243
Additions	-	7,875	29,666	-	37,541
At 31 August 2020	20,442,210	151,164	224,497	10,913	20,828,784
Depreciation					
At 1 September 2019	1,906,442	132,329	171,500	9,608	2,219,879
Charge for the year	281,540	8,929	12,776	326	303,571
At 31 August 2020	2,187,982	141,258	184,276	9,934	2,523,450
Net book value					
At 31 August 2020	18,254,228	9,906	40,221	979	18,305,334
At 31 August 2019	18,535,768	10,960	23,331	1,305	18,571,364

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 ESFA valuation which has been disregarded, no others are planned for the near future.

13 Debtors

	2020	2019
	£	£
Trade debtors	3,125	12,021
VAT recoverable	34,908	33,523
Other debtors	9,176	-
Prepayments and accrued income	64,098	62,254
	111,307	107,798

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	110,443	72,939
Other taxation and social security	66,803	66,608
Other creditors	56,372	1,531
Accruals and deferred income	95,489	156,173
	<u>329,107</u>	<u>297,251</u>

15 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	41,899	66,594
	<u>41,899</u>	<u>66,594</u>
Deferred income at 1 September 2019	66,594	25,168
Released from previous years	(66,594)	(25,168)
Resources deferred in the year	41,899	66,594
	<u>41,899</u>	<u>66,594</u>
Deferred income at 31 August 2020	<u>41,899</u>	<u>66,594</u>

Deferred income relates to income which was received in the year to 31 August 2020 but relates to the year to 31 August 2021. Details of the amounts deferred at the year end are as follows:

Rates £15,381
Trips & Educational Activities £26,518

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	890,800	4,363,938	(4,321,906)	(22,743)	910,089
Other DfE / ESFA grants	-	193,949	(193,949)	-	-
Other government grants	-	127,603	(100,843)	(26,760)	-
Pension reserve	(2,237,000)	-	(293,000)	(580,000)	(3,110,000)
	<u>(1,346,200)</u>	<u>4,685,490</u>	<u>(4,909,698)</u>	<u>(629,503)</u>	<u>(2,199,911)</u>
Restricted fixed asset funds					
DfE group capital grants	18,629,284	17,117	(303,571)	17,349	18,360,179
Total restricted funds	<u>17,283,084</u>	<u>4,702,607</u>	<u>(5,213,269)</u>	<u>(612,154)</u>	<u>16,160,268</u>
Unrestricted funds					
General funds	559,772	242,495	(253,955)	32,154	580,466
Total funds	<u>17,842,856</u>	<u>4,945,102</u>	<u>(5,467,224)</u>	<u>(580,000)</u>	<u>16,740,734</u>

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 ESFA 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 2020.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	832,759	4,389,561	(4,346,613)	15,093	890,800
Other DfE / ESFA grants	-	197,553	(197,553)	-	-
Other government grants	-	71,585	(71,585)	-	-
Pension reserve	(1,337,000)	-	(77,000)	(823,000)	(2,237,000)
	<u>(504,241)</u>	<u>4,658,699</u>	<u>(4,692,751)</u>	<u>(807,907)</u>	<u>(1,346,200)</u>
Restricted fixed asset funds					
DfE group capital grants	18,485,541	231,112	(303,305)	215,936	18,629,284
	<u>18,485,541</u>	<u>231,112</u>	<u>(303,305)</u>	<u>215,936</u>	<u>18,629,284</u>
Total restricted funds	<u>17,981,300</u>	<u>4,889,811</u>	<u>(4,996,056)</u>	<u>(591,971)</u>	<u>17,283,084</u>
Unrestricted funds					
General funds	785,719	292,193	(287,111)	(231,029)	559,772
	<u>785,719</u>	<u>292,193</u>	<u>(287,111)</u>	<u>(231,029)</u>	<u>559,772</u>
Total funds	<u>18,767,019</u>	<u>5,182,004</u>	<u>(5,283,167)</u>	<u>(823,000)</u>	<u>17,842,856</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	18,305,334	18,305,334
Current assets	609,377	1,184,732	80,398	1,874,507
Creditors falling due within one year	(28,911)	(274,643)	(25,553)	(329,107)
Defined benefit pension liability	-	(3,110,000)	-	(3,110,000)
Total net assets	<u>580,466</u>	<u>(2,199,911)</u>	<u>18,360,179</u>	<u>16,740,734</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	18,571,364	18,571,364
Current assets	609,727	1,097,409	98,608	1,805,744
Creditors falling due within one year	(49,955)	(206,609)	(40,688)	(297,252)
Defined benefit pension liability	-	(2,237,000)	-	(2,237,000)
Total net assets	559,772	(1,346,200)	18,629,284	17,842,856

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 2016, and that of the LGPS related to the period ended 31 March 2019.

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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £452,617 (2019: £312,347).

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 16.1% for employers and between 5.5% and 8.5% for employees.

In order to address the pension deficit, the academy has paid an additional £47,717 in employer contributions over the year to 31 August 2020 (2019: £77,950).

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	2020	2019
	£	£
Employer's contributions	215,000	212,000
Employees' contributions	53,000	48,000
	<hr/>	<hr/>
Total contributions	268,000	260,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.3	3.6
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2.1
	<hr/> <hr/>	<hr/> <hr/>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	23	23.1
- Females	25.5	25.8
Retiring in 20 years		
- Males	24.7	24.7
- Females	27.2	27.6

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £	2019 £
Discount rate + 0.1%	(172,000)	(140,000)
Discount rate - 0.1%	172,000	143,000
Mortality assumption + 1 year	(251,000)	(199,000)
Mortality assumption - 1 year	259,000	201,000
CPI rate + 0.1%	29,000	47,000
CPI rate - 0.1%	(29,000)	(46,000)

The academy trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	2,310,525	2,231,012
Gilts	790,550	763,436
Cash	65,200	70,414
Property	244,500	266,832
Other assets	664,225	374,306
Total market value of assets	4,075,000	3,706,000

The actual return on scheme assets was £146,000 (2019: £203,000).

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2020	2019
	£	£
Current service cost	293,000	42,000
Past service cost	33,000	-
Interest income	(73,000)	(95,000)
Interest cost	40,000	130,000
Total operating charge	<u>293,000</u>	<u>77,000</u>
Changes in the present value of defined benefit obligations		2020
		£
At 1 September 2019		5,943,000
Current service cost		435,000
Interest cost		113,000
Employee contributions		53,000
Actuarial loss		653,000
Benefits paid		(45,000)
Past service cost		33,000
At 31 August 2020		<u>7,185,000</u>
Changes in the fair value of the academy trust's share of scheme assets		2020
		£
At 1 September 2019		3,706,000
Interest income		73,000
Actuarial gain		73,000
Employer contributions		215,000
Employee contributions		53,000
Benefits paid		(45,000)
At 31 August 2020		<u>4,075,000</u>

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Reconciliation of net expenditure to net cash flow from operating activities	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(522,122)	(101,163)
Adjusted for:		
Capital grants from DfE and other capital income	(17,117)	(231,112)
Investment income receivable	(8,799)	(8,012)
Finance costs payable	3,464	3,579
Defined benefit pension costs less contributions payable	326,000	42,000
Defined benefit pension scheme finance (income)/cost	(33,000)	35,000
Depreciation of tangible fixed assets	303,571	303,305
(Increase)/decrease in debtors	(3,509)	11,255
Increase in creditors	31,856	94,500
Net cash provided by operating activities	80,344	149,352

20 Analysis of changes in net funds	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,697,945	65,255	1,763,200

21 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	7,783	9,030
Amounts due in two and five years	763	8,545
	8,546	17,575

22 Capital commitments

There were no capital commitments to disclose for the current year end (2019: £nil).

THE COWPLAIN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Related party transactions

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

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

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.