

Company Registration Number: 10646541 (England & Wales)

THE DE CURCI TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THE DE CURCI TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

S Cook
D Good
C Lincoln
R Parnell
B Topham

Trustees

C Batstone
A Bohea (resigned 14 May 2018)
S Brueton
A Cufley
D Good
L Sinnott
S Spivey
T Webber
L Wilby

Company registered number

10646541

Company name

The De Curci Trust

Principal and registered office

Springfield School
Central Road
Portsmouth
Hampshire
PO6 1QY

Company secretary

M Hallsworth

Senior management team

S Spivey, Chief Executive Officer, Headteacher Springfield School
L Wilby, Executive Head Teacher, Solent Infant and Junior Schools
L Peterkin-Aldred, Head of School, Solent Infant School (now Head of School Solent Junior School)
S Haydon, Head of School, Solent Junior School (left at end of 2017/18 academic year)
J Wilburn, Deputy Headteacher, Springfield School
W Wharton, Deputy Headteacher, Springfield School
N Waites, Chief Financial and Operating Officer, The De Curci Trust

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

Advisers (continued)

Independent auditors

Hopper Williams and Bell Limited
Statutory Auditors
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
38 London Road
Portsmouth
Hampshire
PO2 0LR

Solicitors

Veale Wasbrough Vizards LLP
Second Floor, Brindley Place
Birmingham
B1 2JB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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

The trust operates a multi-academy trust for the pupils of Solent Infant School, Solent Junior School and Springfield School in Portsmouth. Its academies have a combined pupil capacity of 1765 and had a combined roll of 1759 in the school census in May 2018.

Structure, Governance and Management

Constitution

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's objects and articles of association are the primary governing documents of the academy trust. The trustees of The De Curci Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The De Curci Trust. Details of the trustees who served during the year 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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The articles of association (6.3) state, 'A Trustee may benefit from any indemnity arrangement purchased at the Academy Trust's expense or any arrangement so agreed with the Secretary of State to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: provided that any such arrangement shall not extend to: (i) any claim arising from any act or omission which the Trustees (or any of them) knew to be a breach of trust or breach of duty or which was committed by the Trustees (or any of them) in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees (or any of them) in their capacity as directors of the Academy Trust. Further, this Article does not authorise a Trustee to benefit from any indemnity arrangement that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.'

'Indemnity to others' is specified in Section 3 (Employers' Liability) of the DFE 'Risk protection arrangement...2018' of which each school within the trust is a member.

Method of Recruitment and Appointment or Election of Trustees

The members may appoint by ordinary resolution up to 9 trustees. The articles of association provide for three categories of trustee: the CEO, co-opted trustees and parent trustees; the term of office for any trustee is four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

Trustees are appointed on the basis of the skills and experience they bring to the trustee board, with reference to the trustee board's annual skills audit. Further to open advertisement, a selection and interview process is undertaken by a sub-committee of the trustee board including a member(s); any proposed appointment must be ratified by the members. It is the current practice of the trustee board that each school (academy) within the trust will have a trustee act as a local governor on its local governing body.

The trustees shall each school year elect a chair and a vice-chair from among their number; a trustee who is employed by the trust is not eligible for election.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are provided with an induction pack containing key documentation and meet initially with the Chair of the trustees' board. Key expectations covered as part of the induction process include the 'Seven Principles of Public Life', 'The Academies Financial Handbook' and the trust's 'Code of Conduct'.

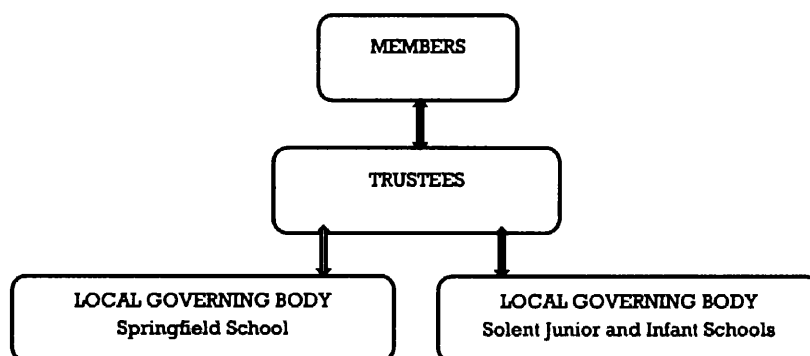
The induction process will then continue with meetings with the CEO, other members of the executive team as appropriate, and visits to some of our schools. Trustees are encouraged to attend training and networking events as fitting to their areas of expertise and development, and are welcome to all committee meetings as observers to gain a deeper understanding of the organisation.

Organisational Structure

An overview of the trust's organisational structure is shown below. The trust's scheme of delegation (governance), scheme of governance and scheme of financial delegation set out the framework under which the trust is governed, and in particular:

how the individuals which are involved in the governance of the academy trust work together effectively;
the relationship between the trustees, the local governing bodies (LGBs) and the senior leadership teams;
and how the trustees ensure compliance with the various legal and regulatory requirements placed on them.

The De Curci Trust – Overview of Governance



LOCAL GOVERNING BODY- Academy Committees		
Resource Committee	Curriculum and Standards Committee	Behaviour and Safety Committee
School budget / budget monitoring Site review / development Health and safety compliance (site) Personnel (local recruitment, staff professional development, appraisal, pay progression in line with policy)	Progress of pupils Attainment of pupils Curriculum offer / development Raising achievement plans Interventions Outcome data Quality of teaching, learning and assessment	Safeguarding / child protection Attendance of pupils / persistent absence Alternative provision Pupil attitudes to learning Pupil behaviour SEN/D provision Welfare provision (including links with external agencies) Exclusion Educational visits & trips
1 / term	4 / year	1 / term

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

The scheme of delegation (governance) is reviewed by the trustees annually with due regard to any new legislation or guidance. This scheme may be altered by a majority resolution of the trustees (or by the members of the academy trust in a general meeting).

The trustees are chiefly accountable to:

- the beneficiaries of the academy trust (pupils at the academies and their parents) and to the local community for the quality of education and pastoral care at the academies, for matters of health and safety and for safeguarding and promoting the welfare of the pupils;
- the DFE, the EFA and the Secretary of State under the terms of the Funding Agreement;
- the Secretary of State for operating the academy trust for the public benefit, for the prudent management of the academy trust and its financial efficiency, and for compliance with legislation including charities legislation;
- the employees of the academy trust for their working environment, and for compliance with the contract of employment and employment law requirements and matters of health and safety; and
- other regulatory authorities for compliance with regulated responsibilities to which the academy trust and the academies are subject.

The trustees are responsible for the governance and supervision of the academy trust, its committees (including the local governing bodies) and the senior leadership (executive) team. The trustees have a number of duties and responsibilities relating to the management of the academy trust and its finances; the CEO is the accounting officer.

In summary, the trustees are responsible for:

- establishing the vision, mission and values for the academy trust;
- carrying on the academy trust in accordance with the objects of the academy trust as set out in the Articles;
- safeguarding the assets of the academy trust;
- designing strategy and structure for the operation of the academy trust;
- the delegation of running the academies and directing the education, pastoral care, financial and other policies of the academies to LGBs and the senior leadership team;
- ensuring sound management and administration of the academy trust, and ensuring that managers are equipped with the relevant skills and guidance;
- financial controls and the financial management of the academy trust in accordance with the provisions of the Academies Financial Handbook;
- setting standards of conduct and values, monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon;
- risk management, that is identifying, quantifying and devising systems to minimise the major risks affecting the academy trust;
- and ensuring the academy trust and the academies are conducted in compliance with the general law.

The local governing bodies fulfil a largely strategic role and adopt a school improvement plan. They scrutinise and monitor the respective school's performance and, on advice, make decisions about the direction of their individual school(s), its capital expenditure and appointment of staff. They set an annual budget which is submitted to the Finance and Audit Committee for review and ratification.

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay and remuneration of the CEO is set by the board of trustees. The CEO, in conjunction with the trust's Human Resources Committee, determines pay and remuneration for the Executive team (and in accordance with the scheme of delegation).

All pay and remuneration is set with reference to the trust's Pay Policy, Teachers Pay and Conditions (where applicable) and is subject to benchmarking with similar schools and trusts. Pay progression is determined via the appraisal process and, for the Executive team, must be ratified by the trust or LGB pay committee, as appropriate.

There is no pay and remuneration in place for trustees, other than the opportunity to claim appropriate expenses.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, as is the case at The De Curci Trust, it must include information included in Schedule 2 of the Regulations, viz:

Relevant union officials:

Number of employees who were relevant union officials during the relevant period – 0

Full-time equivalent employee number – 0

Percentage of time spent on facility time:

0%

Percentage of pay bill spent on facility time:

Total cost of facility time	£3,084
Total pay bill	£6,687,347
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours – 0%

Related Parties and other Connected Charities and Organisations

The CEO and Executive Headteacher participate in the 'Portsmouth Education Partnership' and the 'Portsmouth Teaching School Alliance', both of which are local school improvement and professional development networks. In addition, all schools within the trust are represented at 'cluster' meetings of the feeder schools (to Springfield School) in the locality. Schools within the trust also (periodically) participate in the 'Challenge Partners' school improvement network.

The CEO is a member of Portsmouth's LSCB (local safeguarding and child protection board). The CFOO is a Member of the Advisory Board to the ISBL.

There are two charities set up to support academies within the Trust. The 'Friends of Solent Infant School' and 'Friends of Solent Junior School' are both unincorporated and registered with the Charity Commission; they operate completely separately from The De Curci Trust, but raise funds and donate money to the respective schools.

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

Objectives and Activities

Objects and Aims

The trust's articles of association (4) state:

'The Academy Trust's objects ("the Objects") are specifically restricted to the following:

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").'

The De Curci Trust's 'founding vision':

- We recognise that the national and local educational landscape has changed; the academies programme offers schools freedom and autonomy to develop independently.
- We see this as an opportunity; as successful schools we are committed to leading school improvement within our own organisations and across the wider system.
- We share a vision of promoting high aspirations and achieving excellent outcomes for all children; our schools are inclusive and exist to serve the children who live in the locality.
- We believe that the school learning environment should deliver a vibrant, creative and relevant education for all pupils; fostering a love of learning is central to what we do.
- We are committed to developing high quality staff and building leadership capacity across our schools; continuous professional development is an entitlement for all staff.
- We recognise that schools are different and have unique identities; our approach is to allow schools to determine their own routes to excellence within the context of their own community.
- We aspire to develop expertise across all phases of education that can be shared within and beyond our trust in order to secure school improvement for all.

Objectives, Strategies and Activities

The De Curci Trust's overarching strategic priority is 'achieving excellent outcomes for all children' in its family of schools. The Trust came into existence on 01st April 2017 and consequently remains in its relatively early stages of development.

The following strategies have been and will continue to be employed to secure the trust's aims:

- A relentless focus on the development of high quality learning and teaching across all phases. This will be achieved through support and challenge provided by joint working across the trust, peer networks and commissioned support.
- Collaborative working and professional development across schools. Revised appraisal processes ask staff to contribute to the wider trust network. Leaders deploy key staff to work strategically across the trust to promote improvement and support key interventions. A link with the University of Portsmouth has been established to facilitate high quality joint INSET and promote relevant research opportunities.
- Building capacity through the well formulated recruitment and retention of high quality staff. An enhanced 'employee value proposition' and marketing strategy will be embedded and promoted to attract key staff, as appropriate. Links with Portsmouth City Council to promote teacher recruitment/retention and professional development in the locality.

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

- Effective and efficient deployment of support staff across the trust to secure core functions e.g. finance. A Chief Financial and Operating Officer was appointed in 2018 to support the CEO and Trust Board to manage operations.
- Secure compliance and develop a sustainable organisational structure and consistent approaches. Submit 'Condition Improvement Fund' bid in December 2018, which, if approved by the EFSA, will support significant improvement to learning facilities.
- A review of the effectiveness of new governance arrangements. The trust will continuously review the efficacy of its new structure and in so doing continually evaluate its capacity and options for potential growth.
- Recruitment of new trustees as appropriate and on-going development of trustees' and local governors' knowledge and skills.
- Prudent management of the trust's funds to prioritise the schools' core function of high quality teaching and learning.

Public Benefit

The Trust recognises the requirement that its purpose must be for the 'public benefit'; this is stipulated in the articles of Association (4), 'to advance for the public benefit education in the United Kingdom ... by ... managing and developing schools offering a broad and balanced curriculum ... for children of compulsory school age ...'. The Trustees of The De Curci Trust confirm that they have complied with their duty in section 17(5) of the 2011 Charities Act when exercising their powers and responsibilities.

Trustees ensure that all schools within the Trust adopt admissions arrangements which are in line with those of the local authority, Portsmouth City Council. In so doing, the requirements of the School Admissions are met and practices are consequently fair, clear and objective. If oversubscribed, priority is given to children in care, children with a significant medical and/or learning need, and children living in the catchment area. During 2018/19 the trust, supported by Portsmouth City Council's Admission's Team, intends to consult on making attendance of another The De Curci Trust school an additional priority criterion for future admission.

Schools within The De Curci Trust do not make charitable donations from monies received by way of direct funding e.g. from the EFSA or Government grant. However, the pupils, parents and staff are encouraged to raise funds for local, national and international charitable causes and do so regularly. For example, Christmas Fair, sponsored pupil visit to Kenya, non-uniform days, 'MacMillan coffee mornings' etc.

The De Curci Trust ensures that appropriate regard is given to the needs of individuals with a disability, with provision of reasonable adjustments where necessary, to ensure that the recruitment and selection process is accessible to all. The Trust's Equal Opportunities Policy for Employment and Dignity at Work approach set out that the Trust will make reasonable adjustments to ensure that all colleagues can access training and career development opportunities regardless of disability and/or protected characteristic.

The De Curci Trust has a trade union recognition and facilities agreement in place with the following unions and professional associations: NUT, NASUWT, ASCL, ATL, NAHT, VOICE, (NEU). This allows the Trust to maintain good employment practice and industrial relations and encourages constructive communication with employees. The agreement sets out that the trust will consult the recognised union representatives on matters affecting employees.

Furthermore, the trust places a high value on communication with employees which can be evidenced over recent years by the full consultation that took place regarding the formation of the multi-academy trust and the associated 'TUPE' process.

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

Strategic Report

Achievements and Performance (including Key Performance Indicators)

Solent Infant School

Age range: 4 to 7 Phase: Primary Capacity: 270 NOR: 270
Ofsted rating: Good (3rd February 2016)

Self-Evaluation Summary

Effectiveness of Leadership and Management: Good
Quality of Teaching, Learning and Assessment: Good
Personal Development, Behaviour and Welfare: Outstanding
Outcomes for Pupils: Good
Overall: Good

Provisional Summary Data 2018

EYFSP	86% of pupils achieved a good level of development (national 72%)
Phonics (NCY1)	81% of pupils were working at the expected standard (national 83%)
Key Stage 1	79% of pupils reached the expected standard in KS1 reading (national 76%) 31% of pupils reached the higher standard in reading (national 26%) 66% of pupils reached the expected standard in KS1 writing (national 70%) 13% of pupils reached the higher standard in writing (national 16%) 75% of pupils reached the expected standard in KS1 Maths (national 76%) 21% of pupils reached the higher standard in Maths (national 76%)

Solent Junior School

Age Range: 7 to 11 Phase: Primary Capacity: 360 NOR: 369
Ofsted rating: Good (5th November 2014)

Self-Evaluation Summary

Effectiveness of Leadership and Management: Good
Quality of Teaching, Learning and Assessment: Good
Personal Development, Behaviour and Welfare: Good
Outcomes for Pupils: Good
Overall: Good

Provisional Summary Data 2018

KS2 Attainment

71% of pupils reached the expected standard in KS2 reading, writing and Maths (national 64%)
5% of pupils reached the higher standard in KS2 reading, writing and Maths (national 10%)
Pupils had an average KS2 reading scaled score of 106 (national 105)

KS2 Progress

Pupils had a KS1 to KS2 reading progress score of -1.1 (upper confidence interval +0.1)
Pupils had a KS1 to KS2 writing progress score of -2.9 (upper confidence interval -1.7)
Pupils had a KS1 to KS2 Maths progress score of -2.2 (upper confidence interval -1.1)

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

Springfield School

Age range: 11-16 Phase: Secondary Capacity: 1148 NOR: 1118
Ofsted rating: Good (6th April 2016)

Self-Evaluation Summary

Effectiveness of Leadership and Management: Good
Quality of Teaching, Learning and Assessment: Good
Personal Development, Behaviour and Welfare: Good
Outcomes for Pupils: Good
Overall: Good

Provisional Summary Data 2018

KS4 Attainment

Pupils had an average Attainment 8 score of 48.5 (national 46.5)
50% of pupils achieved a strong pass (grades 9 to 5) in English and Maths (national 43%)
71% of pupils achieved a standard pass (grades 4-9) in English and Maths (national 64%)
68% of pupils were entered for all elements of the EBacc (national 39%)
Pupils had an EBacc APS of 4.5 (national 4.0)

KS4 Progress

Progress 8 score of -0.12 (upper confidence interval of +0.04)

The most recent outcomes summaries illustrate the end of key stage outcomes for the three schools in the trust (all outcomes are provisional at the time of drafting this document). All schools are performing above floor standards. It is the role of the LGB Curriculum and Standards Committees, supported by the trust, to scrutinise the progress made by pupils in each school and to support and challenge the Executive leaders to secure ongoing school improvement through the development of high quality teaching and learning. Progress reports are submitted to the trust for challenge and review.

Interventions required (2017/18) to support Solent Junior School to improve the percentage of pupils achieving the expected KS2 standards have been successful. These were planned and implemented collaboratively with the support of the trust and in line with its strategic objectives to commission support, promote staff professional development and share expertise between the schools. Participation within professional networks including 'Challenge Partners', the 'Portsmouth Education Partnership' and 'Portsmouth Teaching School Alliance' (PTSA) extend the capacity available to all schools in the trust.

The schools will continue to participate in regional recruitment and retention initiatives and support Initial Teacher Training Programmes through 'Schools Direct' and links with local universities and the PTSA. A Chief Financial and Operations Officer has been recruited; the CEO and Executive Headteacher are pursuing the appointment of Improvement Partners and commissioning external support, as appropriate.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

That being said, trustees anticipate that the trust's financial resilience is likely to decline over coming years as costs increase, assuming that funding levels remain broadly static. Building condition survey reports commissioned in 2017 for all three schools indicate that significant works are required to maintain the schools' buildings and infrastructure; the existing budget surplus is committed to that end. Although a significant in-year deficit position has been avoided over the financial year 2017/18, the challenge of maintaining this position without adversely and significantly limiting provision for pupils will increase.

(Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.)

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

Financial Review

The principal source of funding for the trust is in the form of recurring grants from the Department for Education, the use of which is restricted under the trust's funding agreements (refer to Statement of Financial Activities). The schools transfer funding to the trust's central budget to cover the cost of agreed core trust activities and roles (personnel) exclusively; for 2016/17 this was 1%, for 2017/18 this rose to 2% of each school's funding.

Recent inflationary pressures, including higher staff salaries and pension contributions, have impacted significantly on schools' budgeting. A collective in-year deficit of approximately £135k (as at June 2017) needed to be addressed and each LGB was required by the trust to implement a deficit reduction plan for their respective school over the 2017/18 financial year.

Trustees are clear that the priority is to maximise the funding available to support learning and teaching within the schools, and this principle underpins all financial decisions made. The challenge for the trust continues to be to ensure that the evolving central team is effectively deployed to provide the necessary support and challenge for the schools without reducing schools' budgets further by increased partnership fee.

For the financial year 2017/18:

- The in-year deficit figure (which agrees to the change in balance of restricted general funds - excluding pension reserve - plus unrestricted funds) was £154,338 (comprising deficit for the year of £35,821 plus transfer to restricted fixed asset fund £118,517).
- the actual position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2018 was £1,085,578 (2017: £1,239,916).

Reserves Policy – Capital

Academies are expected to create reserves from their annual GAG funding. In addition academies are able to bid for a share of the Academies Capital Maintenance Fund.

The trustees require a capital reserve to be created to fund planned future capital expenditure depending on the level of revenue reserves available.

The Chief Financial and Operations Officer should propose a capital reserve schedule to the Trustees identifying the need to replace assets and the related sums required. The trustees should agree the value of capital reserves to be created in a year as part of the on-going budget approval process.

Spend of the capital reserve fund should only occur as agreed budgeted spend, which is approved by the trustees as part of the budget process.

Reserves Policy – Revenue

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The trustees require a revenue reserve to be created to fund future expenditure related to the trust's longer-term strategic aims and developments.

The policy of the trust is to carry forward a level of resource designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

This policy will be reviewed by the Finance and Audit Committee (at least every three years) and must be signed by the Chair of Trustees and the Chief Executive Officer on behalf of the trust.

Investment Policy

The De Curci Trust does not have any material investments. Its banks accounts are with Lloyds Bank and interest is shown in the Financial Statements. This position will be kept under review in accordance with the stipulations of the Academies Financial Handbook and other EFSA requirements.

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

Principal Risks and Uncertainties

The major risks to which the trust is exposed are:

- Shortfalls in funding which have not been anticipated;
- Impact of the proposed national funding formula and its implementation;
- Teacher recruitment crisis, which impacts on outcomes, staff costs and staff retention;
- Increasing staffing costs, including increased pension contribution rates;
- Falling rolls at member schools, notably Springfield School due to emerging competition from the new University Technical College and a recently expanded local Hampshire school;
- Changes in government policy regarding academies;
- Poor condition of older buildings on our school campuses;
- Decrease in specialist SEN provision options/funding;
- Failures in safeguarding or health & safety procedures at schools within the trust;
- Perceived and/or actual detrimental changes to school performance of any school in the MAT.

Risks are reflected in the trust's risk register and reviewed as a standing item by the Finance and Audit Committee. The key risks above will drive the trust's strategic priorities for the next three years with proactive action being taken to mitigate these, for example: thorough due diligence processes; investment in a model of collaborative school to school support to secure excellence at every school; a central recruitment approach to explore alternative opportunities to attract high quality staff; marketing/branding campaigns for schools within the trust; and plans to centralise the finance function across the trust to ensure tight control of shrinking budgets.

Fundraising

Pupils, parents and staff are encouraged to raise funds for local, national and international charitable causes and do so regularly; for example, Christmas Fair, sponsored pupil visit to Kenya, non-uniform days, 'MacMillan coffee mornings' etc. Care is taken that fundraising approaches are neither unreasonably intrusive nor persistent, but are managed as inclusive community activities. Any concerns regarding fundraising activities would be heard via the trusts' complaints procedure.

The trust does not directly commission commercial or professional fundraisers. However, two charities exist which support academies within the Trust. The 'Friends of Solent Infant School' and 'Friends of Solent Junior School' are both unincorporated and registered with the Charity Commission; they operate completely separately from The De Curci Trust, but raise funds and donate money to the respective schools.

With respect to any fundraising activity, trustees endorse the five principles of fundraising:

- Planning effectively
- Supervising fundraisers
- Protecting reputation, money and assets
- Identifying and ensuring compliance with the laws or regulations that apply
- Being open and accountable

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

Plans for Future Periods

The De Curci Trust's overarching strategic goal remains 'achieving excellent outcomes for all children'. The ambition, therefore, is for all schools to develop outstanding teaching, learning and assessment which leads to pupils making substantial progress; and developing excellent knowledge, understanding and skills appropriate to their different ages and starting points.

Underpinning this strategic intention are five key areas of strategic development for the next three year period; these build upon the 'Objectives, Strategies and Activities' cited previously.

- Collaboratively design a cross-phase teaching, learning and assessment model which promotes and reinforces the elements of outstanding teaching.
- Develop staff expertise and promote recruitment, retention and succession planning by the expansion of high quality professional development and strategic 'talent management' across the MAT.
- Progress financial strategy and provisions, so that budget and expenditure is stable and all schools are able to deliver required provision and additional improvement; whilst maintaining a surplus and exploiting bid opportunities, e.g. 'Condition Improvement Fund' to invest in maintaining and improving the schools' buildings/environment.
- Ensure highly effective governance which is focused on continuous improvement, so that school performance is fully understood with ambition, parity and compliance; ensure that new communication protocols are in place and the scheme of delegation (governance) effectively implemented.
- Consider a sustainable growth plan so that the trust can become self-sustaining with schools able to support each other effectively, whilst ensuring that quality of provision is maintained and improved if the trust opts to grow over the longer term.

Funds Held as Custodian Trustee on Behalf of Others

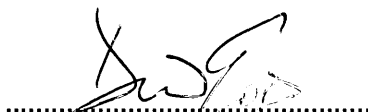
The trust holds funds totalling £29,203 as custodian trustee on behalf of others in respect of the Portsmouth Primary Heads Fund.

Auditor

Insofar as the trustees are aware

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2018 and signed on the board's behalf by:


.....
D Good
Chair of Trustees

THE DE CURCI TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The De Curci Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The board of trustees has formally met six times during the year. Attendance during these first six months at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Batstone	5	6
A Bohea	1	5
S Breuton	3	6
A Cufley	6	6
D Good	5	6
L Sinnott	5	6
S Spivey	6	6
T Webber	5	6
L Wilby	6	6

Mr Anders Bohea resigned from his role as Trustee on 14th May 2018. There have been no other changes in the composition of the board of trustees.

THE DE CURCI TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Responsibilities of the Board of Trustees

The board of trustees is responsible for the governance and supervision of the Academy Trust, its committees (including the Local Governing Bodies) and the senior leadership team. The trustees have a number of duties and responsibilities relating to the management of the trust and its finances.

In summary, the trustees are responsible for:

- establishing the vision, mission and values for the Academy Trust;
- carrying on the Academy Trust in accordance with the objects of the Academy Trust as set out in the Articles;
- safeguarding the assets of the Academy Trust;
- designing strategy and structure for the operation of the Academy Trust;
- the delegation of running the Academies and directing the education, pastoral care, financial and other policies of the Academies to Local Governing Bodies and the senior leadership team;
- ensuring sound management and administration of the Academy Trust, and ensuring that managers are equipped with the relevant skills and guidance;
- financial controls and the financial management of the Academy Trust in accordance with the provisions of the Academies Financial Handbook;
- setting standards of conduct and values, monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon;
- risk management, that is identifying, quantifying and devising systems to minimise the major risks affecting the Academy Trust;
- and ensuring the Academy Trust and the Academies are conducted in compliance with the general law.

The work of the board of trustees therefore includes:

- approving the annual budget for the trust and overseeing the finances, including the internal audit process;
- ensuring compliance with the Academies Financial Handbook and the trust's funding agreement;
- managing risk and business continuity;
- establishing effective policies and procedures across academies in the trust;
- maintaining a broad and balanced curriculum;
- overseeing key performance indicators and educational achievement in academy schools;
- and overseeing strategic development of the trust.

During this first full year of The De Curci Trust's existence the board of trustees has forged effective collaboration between all academy schools. A Chief Financial and Operating Officer was successfully appointed and joined the trust in January 2018; he has conducted a comprehensive evaluation of financial systems across the trust. This has resulted in improvements to operating procedures in all schools.

During this year the trust approved 30 policies along with a structured system for policy review and development. The De Curci Trust website and that of all academy schools has been redesigned and updated. In furtherance of the Objects (4a and 5 f,k) in its Articles of Association, the trust worked to set up a joint INSET day with the University of Portsmouth for classroom based staff. Trustees continue to monitor the overall educational performance of all academy schools on a regular basis.

In keeping with other multi-academy trusts, The De Curci Trust has faced financial challenges and trustees have worked through the year to successfully improve the Trust's budgetary position. Trust meetings have been well attended and roles and responsibilities clearly defined. The quality of the data the board receives has been refined over the year to meet Trustees' precise requirements. It is of a high quality and gives them the information they need for making informed and strategic decisions. The board has evaluated the current position of the trust and considered options for future strategic development.

THE DE CURCI TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governance Review

A skills audit of members and trustees has been reviewed to analyse skills gaps and identify training needs. In response to this, training/development has been arranged over the year, including:

- Governance and legal responsibilities
- Safeguarding and child protection (including Prevent)
- The Academies Financial Handbook

The results of the skills audit were also used to create a profile for the recruitment of a new trustee. In September 2017 the trust took part in a randomly selected FMGS self-evaluation validation visit and received a positive and constructive outcome report. The Trust will be conducting a formal MAT review during November of 2018, the results of which will go to the next board meeting.

Finance and Audit Committee

The Finance and Audit committee is a sub-committee of the main board of trustees; its purpose is to:

- Achieve a robust system of internal scrutiny by putting in place, and monitoring the effectiveness of, a process for checking financial systems, controls, transactions and risks
- Instigate and maintain an effective risk management process
- Adopt a Trust wide procurement policy and to monitor all arrangements for achieving value for money
- Maintain a strategic financial overview of income and expenditure and undertake forward planning for the Trust
- Establish and maintain a process for local management of assets and make sure the Asset Management Plan is regularly updated
- Oversee the Trust's Fraud Prevention strategy
- Review the budget, Annual Report and Accounts and make recommendations to the Board and Members
- Oversee significant capital developments and any campus expansion
- Approve Trustees' expenses
- Review the Contingency and Business Continuity plan
- Advise the Trust on audit requirements and the appointment of external auditors
- Receive and consider reports from the Chief Financial and Operations Officer and from auditors
- Review reports in relation to the Trust's buildings and grounds
- Act in compliance with the Trusts' Funding Agreement, the Academies Financial Handbook, the Trust's Articles of Association and schemes of Financial Delegation.

To date, the committee has managed: budgetary approvals and deficit reduction planning; the establishment of an internal audit procedure; approval of schemes of Financial Delegation and Financial Limits; the development and review of a risk register; and agreement of capitalisation limits and method of depreciation.

Mrs L Sinnott, who is a qualified accountant, is Chair of the Finance and Audit committee.

Attendance at meetings 2017-18 is as follows:

Trustee	Meetings attended	Out of a possible
C Batstone	2	3
A Bohea	0	2
D Good	2	3
L Sinnott	3	3
S Spivey	3	3
L Wilby	2	3

THE DE CURCI TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As accounting officer the CEO 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 appropriate.

The De Curci Trust is a relatively new academy trust. The accounting officer for the academy trust has delivered improved value for money during the year by requiring all trust staff to implement best practice with respect to securing value for money, regularity, propriety and transparency in relation to the management of funds, traded service agreements and contracts across the trust; and to achieve for the trust the most competitive pricing for goods and services in compliance with all relevant legal requirements. As appropriate, the respective schools within the trusts have had to 'cut back' on spending in some areas to achieve a balanced budget and minimise the increasing risk of significant in-year deficit.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE DE CURCI TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hopper Williams and Bell Limited, the external auditors, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- inventory and asset management

Following each audit process, the external auditors report to the board of trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

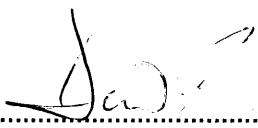
Review of Effectiveness

As Accounting Officer, the CEO 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 10 December 2018 and signed on their behalf, by:


.....
D Good
Chair of Trustees


.....
S Spivey
Accounting Officer

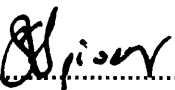
THE DE CURCI TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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


.....
S Spivey
Accounting Officer

Date: 10 December 2018

THE DE CURCI TRUST
(A company limited by guarantee)

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

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

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

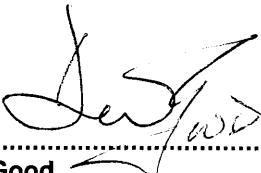
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 10 December 2018 and signed on its behalf by:


.....
D Good
Chair of Trustees

THE DE CURCI TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DE CURCI TRUST

OPINION

We have audited the financial statements of The De Curci Trust for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy 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 financial statements are authorised for issue.

THE DE CURCI TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DE CURCI TRUST

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

THE DE CURCI TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE DE CURCI TRUST

RESPONSIBILITIES OF TRUSTEES

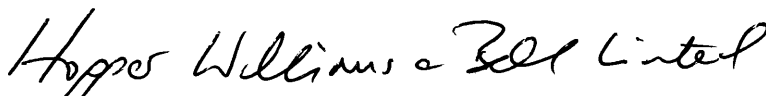
The responsibilities of the Trustees (who also act as company directors of The De Curci Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Trustees either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



David Brookes FCA
for and on behalf of
Hopper Williams and Bell Limited
Statutory Auditors
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR
Date: 18 December 2015

THE DE CURCI TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE DE CURCI TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 March 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The De Curci Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE DE CURCI TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The De Curci Trust's funding agreement with the Secretary of State for Education dated 1 April 2017, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

THE DE CURCI TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE DE
CURCI TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hopper Williams & Bell Limited

David Brookes FCA

Hopper Williams and Bell Limited

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

Date: *18 December 2018*

THE DE CURCI TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
	Note					
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	9,200,688
Other donations and capital grants	2	-	15,730	38,258	53,988	181,336
Charitable activities	3	-	8,192,886	-	8,192,886	3,479,751
Other trading activities	4	23,028	-	-	23,028	8,136
Investments	5	923	-	-	923	154
TOTAL INCOME		23,951	8,208,616	38,258	8,270,825	12,870,065
EXPENDITURE ON:						
Charitable activities		-	8,455,388	67,668	8,523,056	3,333,854
TOTAL EXPENDITURE	6	-	8,455,388	67,668	8,523,056	3,333,854
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		23,951	(246,772)	(29,410)	(252,231)	9,536,211
Transfers between Funds	17	-	(118,517)	118,517	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		23,951	(365,289)	89,107	(252,231)	9,536,211
Actuarial gains/(losses) on defined benefit pension schemes	21	-	326,000	-	326,000	(14,000)
NET MOVEMENT IN FUNDS		23,951	(39,289)	89,107	73,769	9,522,211
RECONCILIATION OF FUNDS:						
Total funds brought forward		974,927	(923,011)	9,470,295	9,522,211	-
TOTAL FUNDS CARRIED FORWARD		998,878	(962,300)	9,559,402	9,595,980	9,522,211

The notes on pages 29 to 51 form part of these financial statements.

THE DE CURCI TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10646541

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	13		9,529,160	9,391,061
CURRENT ASSETS				
Stocks	14	2,488		3,164
Debtors	15	305,842		386,267
Cash at bank and in hand		1,396,939		1,396,947
		<u>1,705,269</u>		<u>1,786,378</u>
CREDITORS: amounts falling due within one year	16	(589,449)		(467,228)
NET CURRENT ASSETS			<u>1,115,820</u>	<u>1,319,150</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,644,980</u>	<u>10,710,211</u>
Defined benefit pension scheme liability	21	(1,049,000)		(1,188,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,595,980</u></u>	<u><u>9,522,211</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	86,700		264,989
Restricted fixed asset funds	17	9,559,402		9,470,295
Restricted income funds excluding pension liability		9,646,102		9,735,284
Pension reserve		<u>(1,049,000)</u>		<u>(1,188,000)</u>
Total restricted income funds			<u>8,597,102</u>	<u>8,547,284</u>
Unrestricted income funds	17		<u>998,878</u>	<u>974,927</u>
TOTAL FUNDS			<u><u>9,595,980</u></u>	<u><u>9,522,211</u></u>

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:


Derek Good
Chair of Trustees

The notes on pages 29 to 51 form part of these financial statements.

THE DE CURCI TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>205,759</u>	<u>1,480,717</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(205,767)</u>	<u>(83,770)</u>
Net cash used in investing activities		<u>(205,767)</u>	<u>(83,770)</u>
Change in cash and cash equivalents in the year		(8)	1,396,947
Cash and cash equivalents brought forward		<u>1,396,947</u>	<u>-</u>
Cash and cash equivalents carried forward	20	<u><u>1,396,939</u></u>	<u><u>1,396,947</u></u>

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

The De Curci Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

1.4 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 allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

THE DE CURCI TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not provided
Leasehold property	-	125 years straight line
Furniture and fixtures	-	3 years straight line
Motor vehicles	-	10 years straight line
Computer equipment	-	3 years straight line

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

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

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE DE CURCI TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 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 as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 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.

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

There are no other critical areas of judgement.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	-	-	-	-	9,200,688
Donations	-	15,730	-	15,730	18,332
Capital grants	-	-	38,258	38,258	163,004
Subtotal	-	15,730	38,258	53,988	181,336
	-	15,730	38,258	53,988	9,382,024
Total 2017	966,637	(1,078,668)	9,494,055	9,382,024	

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,313,486	7,313,486	3,095,642
DfE/ESFA other grants	-	416,465	416,465	157,487
	-	7,729,951	7,729,951	3,253,129
Other government grants				
Local authority grants	-	75,749	75,749	18,434
	-	75,749	75,749	18,434
Other funding				
Trip income	-	252,184	252,184	118,584
Other income	-	135,002	135,002	89,604
	-	387,186	387,186	208,188
	-	8,192,886	8,192,886	3,479,751
<i>Total 2017</i>	-	3,479,751	3,479,751	

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Hire of facilities	23,028	-	23,028	8,136
	<u>23,028</u>	<u>-</u>	<u>23,028</u>	
<i>Total 2017</i>	<u>8,136</u>	<u>-</u>	<u>8,136</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Short term deposits	923	-	923	154
	<u>923</u>	<u>-</u>	<u>923</u>	
<i>Total 2017</i>	<u>154</u>	<u>-</u>	<u>154</u>	

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations					
Direct costs	5,501,361	-	837,133	6,338,494	2,588,443
Support costs	1,185,986	507,982	490,594	2,184,562	745,411
	6,687,347	507,982	1,327,727	8,523,056	3,333,854
<i>Total 2017</i>	<i>2,724,689</i>	<i>154,301</i>	<i>454,864</i>	<i>3,333,854</i>	

7. ANALYSIS OF SUPPORT COSTS

	Academy's educational operations £	Total 2018 £	Total 2017 £
Technology costs	60,273	60,273	20,563
Premises costs	507,982	507,982	154,301
Governance costs	13,050	13,050	10,805
Other costs	349,603	349,603	101,485
Wages and salaries	813,310	813,310	288,701
National insurance	53,643	53,643	18,760
Pension cost	319,033	319,033	127,036
Depreciation	67,668	67,668	23,760
	2,184,562	2,184,562	745,411
<i>Total 2017</i>	<i>745,411</i>	<i>745,411</i>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	67,668	23,760
Auditors' remuneration - audit	7,850	6,500
Auditors' remuneration - other services	5,200	1,500
Operating lease expense	21,089	8,787

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,057,141	2,075,274
Social security costs	477,128	194,167
Operating costs of defined benefit pension schemes	997,461	410,941
	<u>6,531,730</u>	<u>2,680,382</u>
Supply staff costs	155,617	44,307
	<u>6,687,347</u>	<u>2,724,689</u>

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

Included in staff costs is a single non-statutory/non-contractual severance payment of £2,000 (2017: a single payment of £8,893).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	104	96
Administration and support	122	114
Management	20	16
	<u>246</u>	<u>226</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

The prior period information is presented on an annualised basis.

e. Key management personnel

The key management personnel of the academy trust comprises 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 £1,134,172 (2017: £414,535).

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

10. CENTRAL SERVICES

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

- Staff costs
- Governance costs
- Other professional fees

The Academy Trust charges for these services on the following basis:

- a flat percentage of income (2%)

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Solent Infant School	15,447	3,237
Solent Junior School	21,002	4,500
Springfield School	88,271	18,500
	<u>124,720</u>	<u>26,237</u>
Total		

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
S Spivey	Remuneration	90,000-95,000	85,000-90,000
	Pension contributions paid	15,000-20,000	10,000-15,000
L Wilby	Remuneration	70,000-75,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2018, travel expenses of £128 (2017: £244) were reimbursed to one Trustee.

The prior period information is presented on an annualised basis.

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
Brought forward	9,367,551	6,632	7,939	32,699	9,414,821
Additions	156,667	3,464	-	45,636	205,767
At 31 August 2018	9,524,218	10,096	7,939	78,335	9,620,588
Depreciation					
Brought forward	17,137	1,501	1,654	3,468	23,760
Charge for the year	42,118	3,600	3,969	17,981	67,668
At 31 August 2018	59,255	5,101	5,623	21,449	91,428
Net book value					
At 31 August 2018	9,464,963	4,995	2,316	56,886	9,529,160
At 31 August 2017	9,350,414	5,131	6,285	29,231	9,391,061

14. STOCKS

	2018 £	2017 £
Items for resale	2,488	3,164

15. DEBTORS

	2018 £	2017 £
Trade debtors	1,995	76,626
Other debtors	-	972
Prepayments and accrued income	164,001	219,195
VAT recoverable	139,846	89,474
	305,842	386,267

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

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	25,979	38,458
Other taxation and social security	112,175	109,366
Other creditors	134,525	143,149
Accruals and deferred income	316,770	176,255
	<hr/> 589,449 <hr/>	<hr/> 467,228 <hr/>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	61,548	-
Resources deferred during the period	152,421	61,548
Amounts released from previous years	(61,548)	-
Deferred income at 31 August 2018	<hr/> 152,421 <hr/>	<hr/> 61,548 <hr/>

At the balance sheet date the academy trust was holding funds received in advance for grants and other income received in respect of the forthcoming financial year.

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

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	8,290	23,951	-	-	-	32,241
Balances on conversion	966,637	-	-	-	-	966,637
	<u>974,927</u>	<u>23,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>998,878</u>
Restricted funds						
General Annual Grant (GAG)	236,868	7,313,486	(7,373,258)	(118,517)	-	58,579
Pupil Premium	-	269,526	(269,526)	-	-	-
Other DfE/ESFA grants	-	146,939	(146,939)	-	-	-
Local authority grants	-	75,749	(75,749)	-	-	-
Amenities Fund	28,121	-	-	-	-	28,121
Other educational activities	-	402,916	(402,916)	-	-	-
Pension reserve	(1,188,000)	-	(187,000)	-	326,000	(1,049,000)
	<u>(923,011)</u>	<u>8,208,616</u>	<u>(8,455,388)</u>	<u>(118,517)</u>	<u>326,000</u>	<u>(962,300)</u>
Restricted fixed asset funds						
Fixed asset fund	9,391,061	-	(67,668)	205,767	-	9,529,160
DfE/ESFA capital grants	27,296	38,258	-	(35,312)	-	30,242
Local authority capital grants	51,938	-	-	(51,938)	-	-
	<u>9,470,295</u>	<u>38,258</u>	<u>(67,668)</u>	<u>118,517</u>	<u>-</u>	<u>9,559,402</u>
Total restricted funds	<u>8,547,284</u>	<u>8,246,874</u>	<u>(8,523,056)</u>	<u>-</u>	<u>326,000</u>	<u>8,597,102</u>
Total of funds	<u>9,522,211</u>	<u>8,270,825</u>	<u>(8,523,056)</u>	<u>-</u>	<u>326,000</u>	<u>9,595,980</u>

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

17. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:

- school budget share;
- minimum funding guarantee;
- education services grant;
- insurance;
- rates;
- pre-16 high need funding.

Pupil Premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

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

Fixed asset fund

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

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Solent Infant School	62,612	63,880
Solent Junior School	172,393	150,463
Springfield School	825,354	1,024,519
Central services	25,219	1,054
Total before fixed asset fund and pension reserve	1,085,578	1,239,916
Restricted fixed asset fund	9,559,402	9,470,295
Pension reserve	(1,049,000)	(1,188,000)
Total	9,595,980	9,522,211

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

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding deprec- iation £	Total 2018 £	Total 2017 £
Solent Infant School	834,771	203,627	(1,653)	156,331	1,193,076	488,148
Solent Junior School	859,039	233,216	174,773	224,592	1,491,620	529,865
Springfield School	3,807,551	749,143	664,013	549,985	5,770,692	2,292,081
	<u>5,501,361</u>	<u>1,185,986</u>	<u>837,133</u>	<u>930,908</u>	<u>8,455,388</u>	<u>3,310,094</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 March 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
General funds	-	8,290	-	-	-	8,290
Balances on conversion	-	966,637	-	-	-	966,637
Restricted funds						
General Annual Grant (GAG)	-	3,095,642	(2,858,774)	-	-	236,868
Pupil Premium	-	106,202	(106,202)	-	-	-
Other DfE/ESFA grants	-	51,285	(51,285)	-	-	-
Local authority grants	-	18,434	(18,434)	-	-	-
Amenities Fund	-	28,121	-	-	-	28,121
Other educational activities	-	198,399	(198,399)	-	-	-
Pension reserve	-	(1,097,000)	(77,000)	-	(14,000)	(1,188,000)
	-	2,401,083	(3,310,094)	-	(14,000)	(923,011)
Restricted fixed asset funds						
Fixed Asset Fund	-	9,331,051	(23,760)	83,770	-	9,391,061
DfE/ESFA capital grants	-	38,004	-	(10,708)	-	27,296
Local authority capital grants	-	125,000	-	(73,062)	-	51,938
	-	9,494,055	(23,760)	-	-	9,470,295
Total restricted funds	-	11,895,138	(3,333,854)	-	(14,000)	8,547,284
Total of funds	-	12,870,065	(3,333,854)	-	(14,000)	9,522,211

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	9,529,160	9,529,160
Current assets	998,878	676,149	30,242	1,705,269
Creditors due within one year	-	(589,449)	-	(589,449)
Pension liability	-	(1,049,000)	-	(1,049,000)
	<u>998,878</u>	<u>(962,300)</u>	<u>9,559,402</u>	<u>9,595,980</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,391,061	9,391,061
Current assets	974,927	732,217	79,234	1,786,378
Creditors due within one year	-	(467,228)	-	(467,228)
Pension liability	-	(1,188,000)	-	(1,188,000)
	<u>974,927</u>	<u>(923,011)</u>	<u>9,470,295</u>	<u>9,522,211</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(252,231)	9,536,211
Adjustment for:		
Depreciation charges	67,668	23,760
Decrease/(increase) in stocks	676	(3,164)
Decrease/(increase) in debtors	80,425	(386,267)
Increase in creditors	122,221	467,228
Defined benefit pension scheme obligation inherited	-	1,097,000
Defined benefit pension scheme cost less contributions payable	187,000	77,000
Net (loss) on assets and liabilities from local authority on conversion	-	(9,331,051)
Net cash provided by operating activities	205,759	1,480,717

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	375	390
Notice deposits (less than 3 months)	1,396,564	1,396,557
Total	1,396,939	1,396,947

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

21. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £105,107 were payable to the schemes at 31 August 2018 (2017 - £106,571) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £571,209 (2017 - £241,943).

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £335,000 (2017 - £135,000), of which employer's contributions totalled £252,000 (2017 - £102,000) and employees' contributions totalled £83,000 (2017 - £33,000). The agreed contribution rates for future years are 15.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %

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

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

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	3,392,000	3,069,000
Discount rate -0.1%	3,544,000	3,207,000
Mortality assumption - 1 year increase	3,564,000	3,230,000
Mortality assumption - 1 year decrease	3,370,000	3,044,000

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,545,000	1,193,000
Property	167,000	127,000
Government bonds	554,000	483,000
Corporate bonds	29,000	21,000
Cash and other liquid assets	56,000	58,000
Other	67,000	67,000
Total market value of assets	<u><u>2,418,000</u></u>	<u><u>1,949,000</u></u>

The actual return on scheme assets was £151,000 (2017 - £74,000).

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

	2018 £	<i>2017 £</i>
Current service cost	414,000	168,000
Net interest cost	25,000	11,000
Total	<u><u>439,000</u></u>	<u><u>179,000</u></u>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	3,137,000	-
Upon conversion	-	2,838,000
Current service cost	414,000	168,000
Interest cost	78,000	30,000
Employee contributions	83,000	33,000
Actuarial (gains)/losses	(228,000)	69,000
Benefits paid	(17,000)	(1,000)
Closing defined benefit obligation	<u><u>3,467,000</u></u>	<u><u>3,137,000</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,949,000	-
Upon conversion	-	1,741,000
Interest income	53,000	19,000
Actuarial losses	98,000	55,000
Employer contributions	252,000	102,000
Employee contributions	83,000	33,000
Benefits paid	(17,000)	(1,000)
	<u>2,418,000</u>	<u>1,949,000</u>
Closing fair value of scheme assets	<u>2,418,000</u>	<u>1,949,000</u>

22. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	14,749	20,235
Between 1 and 5 years	9,757	17,754
	<u>24,506</u>	<u>37,989</u>
Total	<u>24,506</u>	<u>37,989</u>

23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.