

The De Curci Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
10646541 (England and Wales)

The De Curci Trust

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The De Curci Trust

Reference and Administrative Details

Members:

S Cook
D Good
C Lincoln
R Parnell
B Topham

Trustees:

C Batstone
S Brueton (resigned 25 October 2019)
A Cufley
D Good (resigned 1 January 2019)
S Hamilton (appointed 4 March 2019)
L Sinnott
D Smith (appointed 4 March 2019)
S Spivey
T Webber
L Wilby

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 Junior School
E Curthoys	Head of School, Solent Infant School
J Wilburn	Deputy Headteacher, Springfield School
W Wharton	Deputy Headteacher, Springfield School
N Waites	Chief Financial and Operating Officer

Company Name

The De Curci Trust

Principal and Registered Office

Springfield School
Central Road
Drayton
Portsmouth
Hampshire
PO6 1QY

The De Curci Trust

Reference and Administrative Details

Company Registration Number

10646541 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Bankers

Lloyds Bank Plc

38 London Road

Portsmouth

Hampshire

PO2 OLR

Solicitors

Veale Wasbrough Vizards LLP

Second Floor, Brindley Place

Birmingham

B1 2JB

The De Curci Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. 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 1791 and had a combined roll of 1717 in the school census in May 2019.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The De Curci Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The De Curci Trust.

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

Members' Liability

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

Trustees' Indemnities

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...2019' of which each school within the trust is a member.

The De Curci Trust

Trustees' Report

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.

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 the trust's 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:

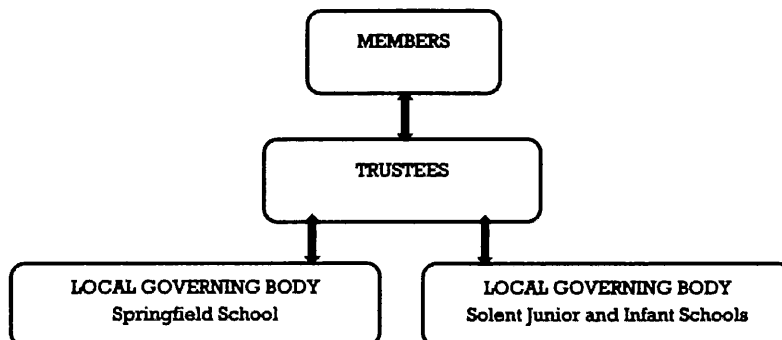
- how the individuals which are involved in the governance of the academy trust work together effectively;
- the relationship between the trustees, the local governing bodies (LGBs) and the senior leadership teams;
- and how the trustees ensure compliance with the various legal and regulatory requirements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

The De Curci Trust

Trustees' Report

Organisational Structure (continued)

The De Curci Trust – Overview of Governance



LOCAL GOVERNING BODY- Academy Committees		
Resources 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

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 ESFA 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 De Curci Trust

Trustees' Report

Organisational Structure (continued)

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 by the Board.

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.

The De Curci Trust

Trustees' Report

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
-	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£7,400
Total pay bill	£6,861,124
Percentage of the total pay bill spent on facility time	0.1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	
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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. Professional networking with other Headteachers and CEOs in the region is encouraged.

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 PSCP (Portsmouth Safeguarding Children Partnership). The Executive Headteacher co-chairs the Portsmouth Primary Headteachers' Committee and conference.

The CFOO is a Fellow, and Member of the Advisory Board of the Institute of School Business Leadership (ISBL), a School Resource Management Advisor (SRMA), and a member of the Portsmouth City Council Schools' Forum in addition to being a parent governor at Admiral Lord Nelson School, Portsmouth.

There is one charity set up to support academies within the Trust. The 'Friends of Schools' is unincorporated and registered with the Charity Commission; it operates separately from The De Curci Trust, but raises funds and donates money to the respective schools.

The De Curci Trust

Trustees' Report

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' (April 2017):

- 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.

The De Curci Trust

Trustees' Report

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.
- 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 2019, 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.

Links with Portsmouth City Council to evaluate possible growth opportunities (to increase NOR at the school/s) with concurrent investments in campus facilities.

The De Curci Trust

Trustees' Report

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 2019/20 the trust, supported by Portsmouth City Council's Admission's Team, are exploring potential changes to the Solent Junior School catchment area.

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.

The De Curci Trust

Trustees' Report

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** (03rd February 2016) Pupil attendance: 98.1%

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 2019

EYFSP 84% of pupils achieved a good level of development (national 72%)
Phonics (NCY1) 85% of pupils were working at the expected standard (national 82%)
Key Stage 1 77% of pupils reached the expected standard in KS1 reading (national 75%)
 28% of pupils reached the higher standard in reading (national 25%)
 74% of pupils reached the expected standard in KS1 writing (national 69%)
 12% of pupils reached the higher standard in writing (national 15%)
 79% of pupils reached the expected standard in KS1 Maths (national 76%)
 23% of pupils reached the higher standard in Maths (national 22%)

The De Curci Trust

Trustees' Report

Achievements and Performance (continued)

Solent Junior School

Age Range: 7 to 11 Phase: Primary Capacity: 360 NOR: 364

Ofsted rating: **Good** (05th November 2014) Pupil attendance: 97.2%

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: Requires Improvement
Overall: **Good**

Provisional Summary Data 2018

KS2 Attainment

60% of pupils reached the expected standard in KS2 reading, writing and Maths (national 65%)

2% of pupils reached the higher standard in KS2 reading, writing and Maths (national 11%)

Pupils had an average KS2 reading scaled score of 104 (in line with national)

Pupils had an average KS2 maths scaled score of 103 (national 105)

KS2 Progress

Pupils had a KS1 to KS2 reading progress score of -1.9 (upper confidence interval -0.6)

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 -3.2 (upper confidence interval -2.1)

The De Curci Trust

Trustees' Report

Achievements and Performance (continued)

Springfield School

Age range: 11-16 Phase: Secondary Capacity: 1161 NOR: 1083

Ofsted rating: **Good** (06th April 2016); **Good** (03rd October 2019) Pupil attendance: 93.7%

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 2019

KS4 Attainment

Pupils had an average Attainment 8 score of 46.47 (national 46.55)

45% of pupils achieved a strong pass (grades 9 to 5) in English and Maths (national 43%)

66% of pupils achieved a standard pass (grades 4-9) in English and Maths (national 64%)

65% of pupils were entered for all elements of the EBacc (national 40%)

Pupils had an EBacc APS of 4.29 (national 4.07)

KS4 Progress

Progress 8 score of -0.28 (upper confidence interval of -0.11)

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). 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.

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 Operating Officer was recruited in 2018; the CEO and Executive Headteacher are pursuing the appointment of Improvement Partners and commissioning external support, as appropriate.

The Trust is funding full external reviews of all three schools via Challenge Partners; these are scheduled to take place in November 2019.

The De Curci Trust

Trustees' Report

Going Concern

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

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 2018/19, the challenge of maintaining this position without adversely and significantly limiting provision for pupils will increase.

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, and for 2018/19 this remained at 2%.

Recent inflationary pressures, including higher staff salaries and pension contributions, have impacted significantly on schools' budgeting. All of our schools currently only receive near the minimum funding rates of the National Funding Formula. Whilst the trust has worked hard to deliver efficiencies and make cost savings, the challenges of receiving some of the lowest per pupil funding rates within our local authority have meant we have had to be more selective about our spending choices at a time when we would prefer to be investing in initiatives to support the teaching and learning of our pupils. Trustees have required all schools to run a 'defensive budget' over recent years to mitigate against any risk of an in year deficit; each local governing board has been asked to have in place a deficit reduction plan.

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.

For the financial year 2018/19:

- The in-year surplus/deficit figure (which agrees to the change in balance of restricted general funds - excluding pension reserve - plus unrestricted funds) – a surplus of £131,603 (2018: a deficit of £35,821), prior to transfers to the restricted fixed asset fund of £320,901.
- The actual position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2018 - £896,280 (2018: £1,085,578).

The De Curci Trust

Trustees' Report

Reserves Policy

The trustees have established the principle of creating and maintaining a revenue reserve of around 8.33% of income to help 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 particularly in relation to funding during uncertain times and/or to allow investment in particular initiatives. Any amounts greater than 8% should be earmarked for specific initiatives and/or capital projects.

The trustees have created a capital reserve to fund planned future capital expenditure depending on the level of revenue reserves available. Individual School Devolved Formula Capital (DFC) annual allocations have not proved large enough to allow for significant projects or capital investment. At Springfield School, annual allocations have been spent in full and complimented by transfer from revenue. At the Solent Schools, a capital reserve has been built up to allow the schools' to make contributions to major works which will form CIF bids in 2019/20

The Chief Financial and Operating Officer has proposed a capital works programme to the Trustees identifying the need to replace / renew / or repair assets and the related sums required. The Trustees will agree the scope and scale of works, and the contributions to be made towards individual projects.

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

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.

The reserves as at 31 August 2019 were as follows:

- Unrestricted (free) reserves of £868,159
- A restricted fixed asset fund of £10,859,895, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £2,072,000
- Other restricted funds of £28,121
- Total funds of £9,684,175

Investment Policy

The De Curci Trust does not have any material investments. Its bank 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.

The De Curci Trust

Trustees' Report

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 University Technical College and other local schools;
- Changes in government policy regarding academies;
- Poor condition of older buildings on our school campuses;
- Decrease in specialist SEND provision options/funding;
- Limited options for high quality alternative provision in the area for pupils;
- 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 six 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

The De Curci Trust

Trustees' Report

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.

- 1) Collaboratively design a cross-phase teaching, learning and assessment model which promotes and reinforces the elements of outstanding teaching.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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

None

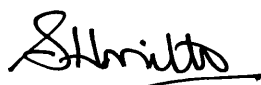
Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2019 and signed on the board's behalf by:

S Hamilton
Trustee



The De Curci Trust

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, 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 also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. The CEO is supported by the Chief Financial and Operating Officer.

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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Batstone	4	4
S Brueton	4	4
A Cufley	3	4
D Good	2	2
S Hamilton	2	2
L Sinnott	4	4
D Smith	2	2
S Spivey	4	4
T Webber	4	4
L Wilby	4	4

Key Changes in the Composition of the Board of Trustees

- Mr. Derek Good resigned from his role as trustee on 1st January 2019.
- Ms. Sharon Brueton was elected Chair of the board of trustees after Mr. Good's resignation.
- Mr. Alan Cufley and Mr. Christopher Batstone were re-appointed as Trustees for 4 years from 1st January 2019.
- Mrs. Susan Hamilton and Ms. Donna Smith were appointed as Trustees for 4 years from 4th March 2019.

The De Curci Trust

Governance Statement

Governance (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 that all aspects of 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 and maintaining 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.

The De Curci Trust

Governance Statement

Governance (continued)

Key Areas of Work for the Board of Trustees

During 2018 –19 The De Curci Trust consolidated collaboration between schools, all three of which have benefited from improved operating systems and a strategic overview.

The trust has continued to review and develop its shared policies which now number 43 approved and operational.

The De Curci Trust website and those of all of its schools were redesigned and they are regularly reviewed and updated.

Trustees continue to monitor and challenge the overall educational performance of all schools on a regular basis, with appropriate reports examined at each board meeting.

Trust meetings have been well attended and roles and responsibilities are clearly defined. The data received by the board is of a high quality and gives them the information they need for making informed and strategic decisions.

In keeping with other multi-academy trusts, The De Curci Trust has continued to face financial challenges and funding uncertainties and trustees have worked throughout the year to maintain a satisfactory budgetary position.

The trust made a number of bids to the ESFA's Condition Improvement Fund: one bid for improvement work to Springfield School's Science Block (external cladding and window replacement) was successful. Plans exist for CIF bids for subsequent years.

The minutes of both the Human Resources committee and the Finance and Audit committee go to each trustee and are examined at each board meeting. Trustees are further informed of the trust's financial position by accessing monthly budgetary reports via the trust's cloud storage centre.

The board has evaluated the current position of the trust and its constituent schools and has considered options for future strategic development. This evaluation has been informed by the consideration of national and local information including, for example, Primary School Placement 2018-24 and Secondary School Placement 2017-23, both documents produced by Portsmouth City Council.

The De Curci Trust

Governance Statement

Governance (continued)

Governance review

The trust's self-evaluation was formalised this year by the adoption of the DfE MAT Improvement Capacity Framework, a section of which is reviewed at each board meeting.

A skills audit of members and trustees was carried out and the results compared with those of the previous year. The results were used to identify training needs and deliver appropriate training.

Training during the year included:

- A professional development day with the University of Portsmouth (for DCT classroom based staff)
- 'Pros, cons and due diligence' that might be involved in expanding the trust
- How Pupil Premium funding is spent across the trust and its impact on learning

The resignation of an experienced trustee and the recruitment of two new trustees did present some challenge, but the results of the trustees' skills audit, along with the process of self-evaluation, were used to create recruitment profiles. The trust's recruitment protocol was then followed and two trustees were duly appointed and assigned mentors. Improvements were made to the induction procedure by the development and introduction of checklists for appointment and induction, plus a handbook for trustees.

The trust is funding whole school reviews of each school (scheduled for November 2019) via Challenge Partners and has been in discussions with the leadership of Challenge Partners regarding a possible review of the MAT in subsequent years.

The De Curci Trust

Governance Statement

Governance (continued)

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 Operating 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.

In carrying out these duties trustees fulfilled their responsibilities relating to:

- The Academies Financial Handbook
- Related Party Transactions
- Controlling executive pay
- Scrutinising the budget
- Acting on audit findings
- Financial returns
- Providing governance and executive details
- Better financial reporting programme

During 2018-19 the committee carried out the following:

- Management of budgetary approvals and deficit reduction planning
- Oversight and monitoring of internal audits
- Review and approval of schemes of Financial Delegation and Financial Limits
- Review and approval of the Trust's financial handbook of policies/procedures
- Development and review of the Trust's Risk Register
- Agreement of capitalisation limits and method of depreciation

The De Curci Trust

Governance Statement

Governance (continued)

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

Ms. D Smith joined the committee, contributing her skills as a Company Financial Controller and her previous experience as a charity Trustee.

Attendance at meetings 2018-19 is as follows:

Trustee	Meetings attended	Out of a possible
C Batstone	2	3
D Good	1	1
L Sinnott	3	3
D Smith	1	1
S Spivey	3	3
L Wilby	2	3

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 CEO is supported by the Trust's Chief Financial and Operating Officer (CFOO) in exercising these responsibilities.

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 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. Robust and frequent internal and external audit processes ensure that financial operations are managed correctly.

The De Curci Trust

Governance Statement

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The De Curci Trust for the period 1 September 2018 to 31 August 2019 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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 & Bell Limited, the external auditor, to perform additional checks.

The reviewer' 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

The De Curci Trust

Governance Statement

The Risk and Control Framework (continued)

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 auditor
- 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 9 December 2019 and signed on its behalf by:

S Hamilton
Trustee



S Spivey
Accounting Officer



The De Curci Trust

Statement of 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 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

9 December 2019

The De Curci Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- 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 9 December 2019 and signed on its behalf by:

S Hamilton
Trustee



The De Curci Trust

Independent Auditor's 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 ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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

Independent Auditor's 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. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

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

The De Curci Trust

Independent Auditor's Report on the Financial Statements to the Members of The De Curci Trust

Responsibilities of the trustees

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

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

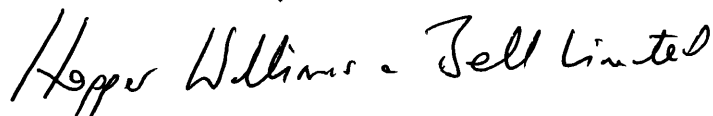
Our responsibilities for the audit of the financial statements

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

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

Use of our report

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



D Brookes FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

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

Date 20 December 2015

The De Curci Trust

Independent Reporting Accountant's Assurance Report on Regularity to The De Curci Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 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 governing body 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 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 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

The De Curci Trust

Independent Reporting Accountant's Assurance Report on Regularity to The De Curci Trust and the Education & Skills Funding Agency

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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.

The De Curci Trust

Independent Reporting Accountant's Assurance Report on Regularity to The De Curci Trust and the Education & Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has 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

D Brookes FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

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

Date *20 December 2019*

The De Curci Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
Income and endowments from:							
Donations and capital grants	2	-	7,029	-	1,042,981	1,050,010	53,988
Charitable activities:							
Funding for the academy trust's educational operations							
	3	-	8,584,110	-	-	8,584,110	8,192,886
Other trading activities	4	20,230	-	-	-	20,230	23,028
Investments	5	2,684	-	-	-	2,684	923
Total		22,914	8,591,139	-	1,042,981	9,657,034	8,270,825
Expenditure on:							
Charitable activities:							
Academy trust educational operations							
	7	-	8,482,450	329,000	63,389	8,874,839	8,523,056
Net income / (expenditure)		22,914	108,689	(329,000)	979,592	782,195	(252,231)
Transfers between funds	16	(153,633)	(167,268)	-	320,901	-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes							
	23	-	-	(694,000)	-	(694,000)	326,000
Net movement in funds		(130,719)	(58,579)	(1,023,000)	1,300,493	88,195	73,769
Reconciliation of funds							
Total funds brought forward		998,878	86,700	(1,049,000)	9,559,402	9,595,980	9,522,211
Total funds carried forward		868,159	28,121	(2,072,000)	10,859,895	9,684,175	9,595,980

The notes on pages 37 to 58 form part of these financial statements.

The De Curci Trust

Balance Sheet as at 31 August 2019

Company Number 10646541

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	12		9,571,895		9,529,160
Current assets					
Stock	13	4,100		2,488	
Debtors	14	762,935		305,842	
Cash at bank and in hand		<u>1,889,205</u>		<u>1,396,939</u>	
		2,656,240		1,705,269	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(471,960)</u>		<u>(589,449)</u>	
Net current assets			<u>2,184,280</u>		<u>1,115,820</u>
Total assets less current liabilities			11,756,175		10,644,980
Defined benefit pension scheme liability	23		(2,072,000)		(1,049,000)
Total net assets			<u>9,684,175</u>		<u>9,595,980</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	10,859,895		9,559,402	
Restricted income fund	16	28,121		86,700	
Pension reserve	16	<u>(2,072,000)</u>		<u>(1,049,000)</u>	
Total restricted funds			8,816,016		8,597,102
Unrestricted income funds	16		868,159		998,878
Total funds			<u>9,684,175</u>		<u>9,595,980</u>

The financial statements on pages 34 to 58 were approved by the trustees and authorised for issue on 9 December 2019 and are signed on their behalf by:

S Hamilton
Trustee



The notes on pages 37 to 58 form part of these financial statements.

The De Curci Trust

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	586,386	205,759
Cash flows from investing activities	20	(94,120)	(205,767)
Change in cash and cash equivalents in the reporting period		<u>492,266</u>	<u>(8)</u>
Cash and cash equivalents at 1 September 2018		1,396,939	1,396,947
Cash and cash equivalents at 31 August 2019	21	<u>1,889,205</u>	<u>1,396,939</u>

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Donations**

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

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold Land and Buildings	125 years straight line on buildings; not provided on land
Furniture and Equipment	3 years straight line
Computer Equipment	3 years straight line
Motor Vehicles	10 years straight line

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

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

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

Liabilities

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

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Notes to the Financial Statements for the Year Ended 31 August 2019

Provisions

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

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

Leased Assets

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

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 14. Prepayments are not financial instruments.

Cash at bank

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

Financial liabilities

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

Stock

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

Taxation

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

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

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Pensions Benefits

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

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

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

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

Fund Accounting

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

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

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

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 23.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	1,042,981	1,042,981	38,258
Other donations	-	7,029	7,029	15,730
	-	1,050,010	1,050,010	53,988
<i>Total 2018</i>	-	53,988	53,988	

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	7,453,832	7,453,832	7,313,486
Pupil premium	-	285,956	285,956	269,526
Other DfE Group grants	-	222,781	222,781	146,939
	-	7,962,569	7,962,569	7,729,951
Other Government grants				
Local authority grants	-	109,222	109,222	75,749
Other income from the academy trust's educational operations				
Trip income	-	390,824	390,824	252,184
Other income	-	121,495	121,495	135,002
	-	512,319	512,319	387,186
	-	8,584,110	8,584,110	8,192,886
<i>Total 2018</i>	-	8,192,886	8,192,886	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	20,230	-	20,230	23,028
<i>Total 2018</i>	23,028	-	23,028	

5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	2,684	-	2,684	923
<i>Total 2018</i>	923	-	923	

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Notes to the Financial Statements for the Year Ended 31 August 2019

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2018/19 £	Total 2017/18 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	5,481,704	-	991,620	6,473,324	6,338,494
Allocated support costs	1,379,420	504,808	517,287	2,401,515	2,184,562
	6,861,124	504,808	1,508,907	8,874,839	8,523,056
<i>Total 2018</i>	<i>6,687,347</i>	<i>507,982</i>	<i>1,327,727</i>	<i>8,523,056</i>	

Net income/(expenditure) for the period includes:

	2018/19 £	2017/18 £
Operating lease rentals	17,363	21,089
Depreciation	51,385	67,668
Fees payable to auditor for:		
Audit	8,005	7,850
Other services	7,655	5,200

7 Charitable activities

	2018/19 Total £	2017/18 Total £
Direct costs	6,473,324	6,338,494
Support costs	2,401,515	2,184,562
	8,874,839	8,523,056

Analysis of support costs:

	Educational operations £	2018/19 Total £	2017/18 Total £
Support staff costs	1,379,420	1,379,420	1,185,986
Depreciation	51,385	51,385	67,668
Technology costs	52,980	52,980	60,273
Premises costs	504,808	504,808	507,982
Other support costs	397,262	397,262	349,603
Governance costs	15,660	15,660	13,050
Total support costs	2,401,515	2,401,515	2,184,562
<i>Total 2018</i>	<i>2,184,562</i>	<i>2,184,562</i>	

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Staff

a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	5,091,207	5,057,141
Social security costs	472,386	477,128
Pension costs	1,156,097	997,461
	<u>6,719,690</u>	<u>6,531,730</u>
Agency staff costs	141,434	155,617
	<u>6,861,124</u>	<u>6,687,347</u>

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £2,000).

c) Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	101	104
Administration and support	109	122
Management	14	20
	<u>224</u>	<u>246</u>

d) Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	3	2
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £598,948 (2018: £567,086).

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Related Party Transactions – Trustees’ remuneration and expenses

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

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

		2018/19	2017/18
		£000	£000
S Spivey	Remuneration	85-90	90-95
(Staff trustee)	Employer’s pension contributions paid	10-15	15-20
L Wilby	Remuneration	70-75	70-75
(Staff trustee)	Employer’s pension contributions paid	10-15	10-15

During the period ended 31 August 2019, travel and subsistence expenses totalling £187 were reimbursed or paid directly to one trustee (2018: £128 to one trustee).

10 Trustees and officers insurance

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

11 Central Services

The academy trust has provided the following central services to its academies during the year:

- Human resources
- Governance
- Other professional services

The academy trust charges for these services on a flat percentage of income (2%). The actual amounts charged during the year were as follows:

	2018/19	2017/18
	£	£
Solent Infant School	15,060	15,447
Solent Junior School	20,664	21,002
Springfield School	91,464	88,271
	127,188	124,720

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2018	9,524,218	10,096	78,335	7,939	9,620,588
Acquisitions	48,693	22,401	23,026	-	94,120
At 31 August 2019	<u>9,572,911</u>	<u>32,497</u>	<u>101,361</u>	<u>7,939</u>	<u>9,714,708</u>
Depreciation					
At 1 September 2018	59,255	5,101	21,449	5,623	91,428
Charged in year	42,969	1,452	4,648	2,316	51,385
At 31 August 2019	<u>102,224</u>	<u>6,553</u>	<u>26,097</u>	<u>7,939</u>	<u>142,813</u>
Net book values					
At 31 August 2018	9,464,963	4,995	56,886	2,316	9,529,160
At 31 August 2019	<u>9,470,687</u>	<u>25,944</u>	<u>75,264</u>	<u>-</u>	<u>9,571,895</u>

13 Stock

	2018/19 £	2017/18 £
Other stocks	<u>4,100</u>	<u>2,488</u>

14 Debtors

	2018/19 £	2017/18 £
Trade debtors	2,425	1,995
VAT recoverable	58,435	139,846
Prepayments and accrued income	702,075	164,001
	<u>762,935</u>	<u>305,842</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019

15 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	31,640	25,979
Other taxation and social security	117,029	112,175
Other creditors falling due within one year	117,418	134,525
Accruals and deferred income	205,873	316,770
	471,960	589,449

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	152,421	61,548
Released from previous years	(152,421)	(61,548)
Resources deferred in the year	33,737	152,421
Deferred income at 31 August 2019	33,737	152,421

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.

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	58,579	7,453,832	(7,345,143)	(167,268)	-	-
Pupil Premium	-	285,956	(285,956)	-	-	-
Other DfE/ESFA grants	-	222,781	(222,781)	-	-	-
Other government grants	-	109,222	(109,222)	-	-	-
Amenities Fund	28,121	-	-	-	-	28,121
Other educational activities	-	519,348	(519,348)	-	-	-
	86,700	8,591,139	(8,482,450)	(167,268)	-	28,121
Pension reserve	(1,049,000)	-	(329,000)	-	(694,000)	(2,072,000)
	(962,300)	8,591,139	(8,811,450)	(167,268)	(694,000)	(2,043,879)
Restricted fixed asset funds						
Fixed asset fund	9,529,160	-	(51,385)	94,120	-	9,571,895
DfE Group capital grants (DFC)	30,242	122,180	-	(80,541)	-	71,881
DfE Group capital grants (CIF)	-	920,801	(12,004)	-	-	908,797
School contributions	-	-	-	307,322	-	307,322
	9,559,402	1,042,981	(63,389)	320,901	-	10,859,895
Total restricted funds	8,597,102	9,634,120	(8,874,839)	153,633	(694,000)	8,816,016
Total unrestricted funds	998,878	22,914	-	(153,633)	-	868,159
Total funds	9,595,980	9,657,034	(8,874,839)	-	(694,000)	9,684,175

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

16 Funds (continued)

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

General annual grant

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

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Local authority grants

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

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

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

Fixed asset fund

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

DfE/ESFA capital grants

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

Transfers between funds

Transfers to the restricted fixed asset fund represent:

- a) Fixed asset additions totalling £13,579 which have been funded from restricted general funds, and
- b) Contributions totalling £307,322 from the academies' unrestricted and restricted general funds in respect of capital works planned to take place during 2019/20, namely:
 - Solent Infant School - £20,000 for cyclical PC upgrade.
 - Solent Junior School - £35,000 for classroom touchscreen replacement / hall projector upgrade.
 - Springfield School - £252,322 contribution to A Block CIF project and other site refurbishment projects.

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2018/19	2017/18
	£	£
Solent Infant School	80,597	62,612
Solent Junior School	205,011	172,393
Springfield School	592,881	825,354
Central services	17,791	25,219
Total before fixed assets and pension reserve	<u>896,280</u>	1,085,578
Restricted fixed asset fund	10,859,895	9,559,402
Pension reserve	<u>(2,072,000)</u>	(1,049,000)
Total	<u>9,684,175</u>	<u>9,595,980</u>

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. Dep- reciation) £	2018/19 Total £	2017/18 Total £
Solent Infant School	710,665	225,026	56,010	192,262	1,183,963	1,193,076
Solent Junior School	906,461	270,543	132,308	196,899	1,506,211	1,491,620
Springfield School	3,864,578	883,851	803,302	581,549	6,133,280	5,770,692
	<u>5,481,704</u>	<u>1,379,420</u>	<u>991,620</u>	<u>970,710</u>	<u>8,823,454</u>	<u>8,455,388</u>

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

16 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
Restricted general 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)	-	-	-
Other government grants	-	75,749	(75,749)	-	-	-
Amenities Fund	28,121	-	-	-	-	28,121
Other educational activities	-	402,916	(402,916)	-	-	-
	264,989	8,208,616	(8,268,388)	(118,517)	-	86,700
Pension reserve	(1,188,000)	-	(187,000)	-	326,000	(1,049,000)
	(923,011)	8,208,616	(8,455,388)	(118,517)	326,000	(962,300)
Restricted fixed asset funds						
Fixed asset fund	9,391,061	-	(67,668)	205,767	-	9,529,160
DfE Group capital grants (DFC)	27,296	38,258	-	(35,312)	-	30,242
Other capital grants	51,938	-	-	(51,938)	-	-
	9,470,295	38,258	(67,668)	118,517	-	9,559,402
Total restricted funds	8,547,284	8,246,874	(8,523,056)	-	326,000	8,597,102
Total unrestricted funds	974,927	23,951	-	-	-	998,878
Total funds	9,522,211	8,270,825	(8,523,056)	-	326,000	9,595,980

The De Curci Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	9,571,895	9,571,895
Current assets	868,159	500,081	-	1,288,000	2,656,240
Current liabilities	-	(471,960)	-	-	(471,960)
Pension scheme liability	-	-	(2,072,000)	-	(2,072,000)
Total net assets	868,159	28,121	(2,072,000)	10,859,895	9,684,175

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

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	9,529,160	9,529,160
Current assets	998,878	676,149	-	30,242	1,705,269
Current liabilities	-	(589,449)	-	-	(589,449)
Pension scheme liability	-	-	(1,049,000)	-	(1,049,000)
Total net assets	998,878	86,700	(1,049,000)	9,559,402	9,595,980

18 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19 £	2017/18 £
Amounts due within one year	14,829	14,749
Amounts due between one and five years	12,871	9,757
	27,700	24,506

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Notes to the Financial Statements for the Year Ended 31 August 2019

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

	2018/19	2017/18
	£	£
Net income / (expenditure) for the reporting period	782,195	(252,231)
Adjusted for:		
Depreciation	51,385	67,668
Defined benefit pension scheme cost less contributions payable	304,000	162,000
Defined benefit pension scheme finance cost	25,000	25,000
(Increase) / decrease in stocks	(1,612)	676
(Increase) / decrease in debtors	(457,093)	80,425
(Decrease) / increase in creditors	(117,489)	122,221
Net cash provided by Operating Activities	<u>586,386</u>	<u>205,759</u>

20 Cash flows from investing activities

	2018/19	2017/18
	£	£
Purchase of tangible fixed assets	(94,120)	(205,767)
Net cash used in investing activities	<u>(94,120)</u>	<u>(205,767)</u>

21 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	<u>1,889,205</u>	<u>1,396,939</u>

22 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.

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Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations

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

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

Contributions amounting to £117,418 were payable to the schemes at 31 August 2019 (2018: £105,107) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

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Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations (continued)

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, has rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £574,481 (2018: £571,209).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

	2019	2018
	£	£
Employer's contributions	286,000	252,000
Employees' contributions	79,000	83,000
	<u>365,000</u>	<u>335,000</u>

The agreed contribution rates for future years are 16.1% (plus a fixed annual contribution) for employers (increasing to 18.9% from 1 April 2020 with no fixed annual contribution) and 5.5% to 12.5% for employees.

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

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Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	2019	2018
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate +0.1%	(108,000)	(75,000)
Discount rate -0.1%	111,000	77,000
Mortality assumption – 1 year increase	168,000	97,000
Mortality assumption – 1 year decrease	(166,000)	(97,000)

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

	2019	2018
	£	£
Equities	1,745,000	1,545,000
Property	209,000	167,000
Government bonds	597,000	554,000
Corporate bonds	-	29,000
Cash	55,000	56,000
Other	293,000	67,000
Total market value of assets	2,899,000	2,418,000

The actual return on scheme assets was £152,000 (2018: £151,000).

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Notes to the Financial Statements for the Year Ended 31 August 2019

23 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	413,000	414,000
Past service cost	177,000	-
Interest income	(73,000)	(53,000)
Interest cost	98,000	78,000
Total amount recognised in the SOFA	<u>615,000</u>	<u>439,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

	2018/19	2017/18
	£	£
At 1 September	3,467,000	3,137,000
Current service cost	413,000	414,000
Interest cost	98,000	78,000
Employee contributions	79,000	83,000
Actuarial loss / (gain)	773,000	(228,000)
Benefits paid	(36,000)	(17,000)
Past service cost	177,000	-
At 31 August	<u>4,971,000</u>	<u>3,467,000</u>

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

	2018/19	2017/18
	£	£
At 1 September	2,418,000	1,949,000
Interest income	73,000	53,000
Actuarial gain	79,000	98,000
Employer contributions	286,000	252,000
Employee contributions	79,000	83,000
Benefits paid	(36,000)	(17,000)
At 31 August	<u>2,899,000</u>	<u>2,418,000</u>

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 9.