

financial statements

The Propeller Academy Trust

Company Limited by Guarantee

For the period ended 31 August 2013

Company registration number: 08340120

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Financial Statements

Period from 21 December 2012 to 31 August 2013

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**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Reference and Administrative Details

Trustees	<p>Dr Niall Barr Mrs Stephanie Coneboy</p> <p>Mrs Teresa Kelly Mrs Davina Mackay Mrs Adrienne Martin Mrs Sharon Parr Mr Julian Rideout Mr Terry Stock Mr Barry Taylor</p>	<p>Headteacher Fitzwaryn & Principal & Accounting Officer College Principal Parent Trustee Headteacher Kingfisher Parent Trustee</p> <p>Chair Kingfisher LGB</p>	Resigned Oct 2013
Member 1 Member 2 Member 3	<p>Mrs Teresa Kelly Dr Niall Barr Mrs Karyn Buck</p>		
*Member of the Propeller Academy Trust Finance Committee	<p>Mr Terry Stock Mr Barry Taylor Mrs Stephanie Coneboy Mrs Adrienne Martin Mrs Pat Hudson Mr Julian Rideout Mr Russell Paul</p> <p>Mrs Catherine Barnes</p>	<p>Chair</p> <p>Interim Business Development Manager Associate Member Business Development Manager Associate Member</p>	Appointed Aug 2013

**The Propeller Academy Trust, Company number 08340120
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Reference and Administrative Details (*continued*)

Members of the Audit Committee	Mr Terry Stock Mr Barry Taylor Mrs Pat Hudson Mr Julian Rideout Mrs Catherine Barnes	Chair Business Development Manager Associate Member
Fitzwaryn Local Governing Body Finance Committee	Mr Julian Rideout Mr Tom Arnold Mrs Stephanie Coneboy Mrs Pat Hudson Mrs Catherine Barnes	Chair Business Development Manager Associate Member
Kingfisher Local Governing Body Finance Committee	Mr Terry Stock Mr Barry Taylor Mrs Katharine Boyce Mrs Adrienne Martin Mrs Catherine Barnes	Chair Business Development Manager Associate Member

**The Propeller Academy Trust, Company number 08340120
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Reference and Administrative Details (*continued*)

Company secretary	The Trust does not operate a Company Secretary	
Senior Leadership team Fitzwaryn	Mrs Stephanie Coneboy Mrs Jane Edwards Mrs Catherine Barnes Mr Chris Slatter Miss Yvette Fay	Headteacher Deputy Headteacher Business Development Manager Assistant Head Senior Leader TLR
Kingfisher	Mrs Adrienne Martin Mrs Alison Norris Mrs Catherine Barnes Mrs Nikki Farmer Mrs Helen Tristram Mrs Kate Downes Mrs Clare Johnson	Headteacher Deputy Headteacher Business Development Manager 6 th Form Phase Leader EYFS Phase Leader (Shared) EYFE Phase Leader (Shared) Teaching Assistant Leader
Principal and Registered Office	Abingdon Campus, Wootton Road, Abingdon, Oxon OX14 1GG Tel: 01235 555585 Fax: 01235 553168 www.thepropelleracademytrust.org.uk	
Company Registration Number	08340120	
Independent Auditors	MHA MacIntyre Hudson, Chartered Accountants & Statutory Auditor 31 Castle Street, High Wycombe, Bucks HP13 6RU	
Bankers	Lloyds TSB Bank plc Ock Street Abingdon Oxon OX14 5AP	
Solicitors	Blake Laphorn Seacourt Tower, West Way, Oxford OX2 0FB	

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Trustees' Annual Report

Period from 21 December 2012 to 31 August 2013

The trustees present their annual report together with the financial statements and auditors' reports of the Propeller Academy Trust the charitable company for period 21 December 2012 to 31 August 2013. The charitable company was incorporated on 21 December 2012, and conversion to Academy status was on 1 February 2013.

Structure, Governance and Management

Constitution

The Propeller 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 Propeller Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The Charitable Company is known as the Propeller Academy Trust. The members of the Trust are Fitzwaryn Special School, Kingfisher Special School and Abingdon and Witney College.

Details of the trustees who served throughout the year except as noted are:

Name	Appointed	Resigned
Dr Niall Barr	21/12/12	Oct 2013
Mrs Stephanie Coneboy	21/12/12	
Miss Teresa Kelly	21/12/12	
Mrs Davina Mackay	14/01/13	
Mrs Adrienne Martin	21/12/12	
Mrs Sharon Parr	14/01/13	
Mr Julian Rideout	14/01/13	
Mr Terry Stock	14/01/13	
Mr Barry Taylor	21/12/12	
Mrs Teresa Kelly (Member)		
Dr Niall Barr (Member)		
Mrs Karyn Buck (Member)		

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 £1 for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

Trustees benefit from indemnity insurance 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. The cost of this insurance in the year is held separately within the whole school Public & Employers Liability Policy for both Fitzwaryn and Kingfisher Schools. The cost was £ 2434.76 for this period and the cover provides for Governors' liability to a limit of £5million.

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Trustees' Annual Report (*Continued*)

Period from 21 December 2012 to 31 August 2013

Principal Activities

Kingfisher and Fitzwaryn special schools together with Abingdon and Witney College have established a formal relationship through the creation of a multi-academy trust. The Propeller Academy Trust is working to provide outstanding provision from the age of 2 to 25 for children and young adults with special educational needs. This is the first Sponsored Academy Trust in Special Education in the Country. Alongside Abingdon and Witney College, Fitzwaryn School is the sponsor for Kingfisher School. The Propeller Academy Trust provides a formal and supportive partnership whilst allowing all partners to maintain their independent and autonomous status, ethos and culture.

The vision for the trust is that, through the creation of this formal partnership, the two special schools and college of further education will make available exceptional, responsive and highly specialised provision to children and young adults with special educational needs, including those with highly complex and/or profound learning difficulties across south and west Oxfordshire. The provision is working to be highly regarded both locally and nationally and will build on the strengths of the partner organisations who are already judged to be outstanding. The creation of The Propeller Academy Trust will enable the three partners to extend and develop their offer; establish an innovative and developmental curriculum that is built around the needs of the individual child or young adult; enable best practice to become the norm across the Trust partners; and provide exceptional opportunities for staff to progress and develop.

This object is met via the operations of The Propeller Academy Trust that provides education from the age of 2 to 25 in accordance with its Articles.

Method of Recruitment and Appointment or Election of Trustees.

The Chair of Governors and Headteachers of the predecessor schools as of 1st February 2013 were appointed as Trustees. Both schools continue to operate a Local Governing Body which reports to the Board of Trustees.

The Articles of the Propeller Academy Trust require that the makeup of the Members and Trustees to be as follows:

The Members of the Company shall comprise:

- Until they cease to be Members, the signatories to the Memorandum;
- Up to one person who may be appointed by Abingdon & Witney College;
- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- Up to one person who may be appointed by Fitzwaryn School;

There will be no fewer than less than 3 signatories to the Memorandum of Association

- The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

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Trustees' Annual Report (*Continued*)

Period from 21 December 2012 to 31 August 2013

Method of Recruitment and Appointment or Election of Trustees (continued)

The Company shall have the following Trustees:

- Up to 10 Trustees, appointed;
- Any Staff Trustees if appointed provided that the total number of Trustees who are employees of the Company does not exceed one third of the total number of Trustees.
- The Chairman of each Local Governing Body shall be an Academy Trustee for as long as he/she remains in office as such and shall be appointed by the Trustees of the Company.
- A minimum of 2 Parent Trustees appointed;
- Any Additional Trustees, if appointed under Article 61, 61A or 67A;
- Any Further Trustees, if appointed under Article 62 or Article 67A;
- Up to 2 Trustees, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate that Relevant Funding Agreement.
- The Company may also have any Co-opted Trustees appointed.

The term of office for any Member or Trustees shall be 4 years, excepting for the Headteachers.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will be at local level and will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters.

A tour of both schools is arranged providing the opportunity to meet with staff and pupils. An Induction Pack and Handbook is currently being developed to be issued to all new members and Trustees. This will contain copies of policies, procedures, minutes, accounts, budgets, plans and other documents required to support the role.

Organisational Structure

The structure consists of four levels: the Board of Trustees, Local Governing Bodies, Senior Leadership Team and Budget Holders members

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The members of the local governing bodies are responsible for setting local policies, developing and monitoring the School Development Plans and setting the three year budgets, however the Trust sets and approves Trust policies and procedures and approves and submits the budgets set against each School Development Plan. The Propeller Academy Trust monitors the use of budgets and makes strategic decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Trustees are also responsible for approving the Finance Manual of Guidance Handbook under which both school's finances operate.

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Trustees' Annual Report (*Continued*)

Period from 21 December 2012 to 31 August 2013

Organisational Structure (*continued*)

The Headteachers have delegated responsibility for their individual school's activities including financial activities, however the governing bodies at local level continue to operate curriculum committees, finance committees, health and safety and full governing body committee meetings and report their findings to the Propeller Academy Trust Finance Committee and / or Trustees Board. Much of the responsibility for financial activities has been delegated to the Trust Business Development Manager.

The Headteachers are responsible for the appointment of all staff with the exception of the Leadership Team. The Scheme of Delegation states that all leadership posts are made in conjunction with the Trustees.

Fitzwaryn

The Leadership Team comprises the Headteacher, Deputy Headteacher, Business Development Manager, Assistant Headteacher and Senior Leader TLR.

Kingfisher

The Leadership Team comprises the Headteacher, Deputy Headteacher, Business Development Manager, 6th Form Phase Leader, 2 part time EYFS Phase Leaders and Senior Teaching Assistant.

The Senior Leadership Team in both schools implement the policies laid down by the local governing bodies and the Propeller Academy Trust Board of Trustees and attend committee meetings as appropriate in order to report back to them. The Leadership team meets weekly and is collectively responsible for the day to day operation of the individual school, in particular organising the teaching staff, facilities and pupils.

The nature of need in the Special School setting requires that expenditure on staffing is at a considerably higher level than in the main stream setting. The Headteacher in each individual school operates as the budget holder at this time. Spending control is devolved to Headteacher and in line with the approved financial manual, expenditure above £10,000 requires additional authorisation from the Board of Trustees.

Risk Management

During the seven months the Propeller Academy Trust has been operational, the Trustees have been in the process of forming a well thought out Risk Register targeted at a strategic level to provide a response to those areas identified that could have a significant impact on either of the individual school's or the college's reputation, its people (both pupils, students and staff) and its ability to operate and deliver effectively together with the Trust as a whole.

The Risk Register is not designed to duplicate action already undertaken by the local Governing Bodies, its committees or the school's senior leadership Team. It is however a document that is used by all appropriate members and staff.

The Propeller Academy Trust continues to review the Risk Register and use it as:

- a mechanism for identifying which risks represent opportunities and which represent pitfalls
- a clear view of the variables to which the school may be exposed
- a basis for determining the response required to a particular risk
- a format to review the preparedness to a particular risk
- the assessment of key indicators linked to a specific risk
- the opportunity to adjust action, by agreement, in mitigation

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Trustees' Annual Report (Continued)

Period from 21 December 2012 to 31 August 2013

Risk Management (continued)

The Audit Committee, will on behalf of the Propeller Academy Trust manage the Risk Register and consider the following in its area of review:

- Strategic Plan (for mid-term objectives)
- Development Plan (for short term objectives)
- Self Evaluation documentation
- Audit reports (Ofsted, financial, health and safety, etc)
- Pupil Progress
- Media coverage
- Other appropriate information

The Audit Committee, in managing the Risk Register, will conduct a process whereby it requests information on action taken by, primarily, but not exclusively the following sources:

- Trustees
- Local Governing Body Committees and Sub-Committees
- Senior Leadership Team
- Other staff as appropriate.

The Trustees of the Propeller Academy Trust confirm the use of the Risk Registers to highlight potential weakness and take prompt appropriate action including a review of the impact of action taken.

Connected Organisations, including Related Party Relationships

Kingfisher and Fitzwaryn Special Schools together with Abingdon and Witney College have established a formal relationship through the creation of a multi-academy trust. Each entity is not controlled as to how it manages its day to day operations in delivering its objectives, however this is monitored by the Board of Trustees who have the responsibility to ensure the outcomes of the Trust as a whole are achieved.

Although both Fitzwaryn and Kingfisher are special schools, the profile of the pupils within each school differs in designation. The current pupils' needs at Fitzwaryn are categorised by the following terms: Moderate Learning Difficulties(MLD), Severe Learning Difficulties (SLD) and Profound Multiple Learning Difficulties (PMLD), whilst at Kingfisher, the needs are SLD and PMLD. These high level needs impact significantly on how staffing levels for example are determined. The nature of pupils' needs in both schools means that there are a number of families who require an extremely high level of support from education, and social and health services to enable them to access support services and funding in order to ensure that the needs of the pupils and their families are met, and both schools continuously work closely with numerous outside agencies.

The more able pupils may choose not to remain in the school setting for further education and transfer to the College where they can continue their learning.

The vision for the trust is that, "through the creation of this formal partnership, the two special schools and college of FE will make available exceptional, responsive and highly specialised provision to children and young adults with special educational needs, including those with highly complex and/or profound learning difficulties across south and west Oxfordshire."

The Propeller Academy Trust has encouraged each school to retain its own vision to ensure the vision for the pupils in each setting are considered fully. The vision of the Trust is an overarching vision.

Fitzwaryn's vision is:

'Through learning to learn pupils will access society'

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Trustees' Annual Report (*Continued*)

Period from 21 December 2012 to 31 August 2013

Fitzwaryn's mission is:

'Our objective is to give each pupil the richest and most appropriate education through which we aim to enhance positive attributes, minimise difficulties and encourage pupil independence'

Kingfisher Vision:

"Kingfisher School is a vibrant and dynamic learning establishment where the needs of our pupils and students form the bedrock of our entire decision making."

Objectives and Activities

Objectives, Aims, Strategies and Activities,

Kingfisher and Fitzwaryn work to provide:

- A secure and supportive learning environment.
- A structure that will enable staff to meet individual pupil needs.
- A positive atmosphere in which pupils can gain self-confidence through their own emotional and social development.
- A broad and balanced curriculum including the national curriculum that also allows for the Social, Spiritual, Moral, Physical and Cultural Development of each child.
- Small teaching groups to facilitate the implementation of individual programmes.
- Appropriate resources to the best of our ability.
- Outside activities e.g. swimming field trips, horse riding and residential courses that enable a broader outlook.
- The facility for close cooperation with parents and governors.
- A positive working relationship between school staff and other professional agencies.
- Integration into mainstream schools or within Fitzwaryn and Kingfisher whenever it is in the interests of the child.

The overall aim is to match staff expertise to pupil need and to raise pupil achievement and to:

- Enable our children and young people to become effective communicators;
- Develop the skills in our children and young people that will maximise their independence;
- Support our children and young people to be included and to actively participate in their communities;
- Ensure that our children and young people aspire and achieve whilst enjoying their learning;
- Ensure that our children and young people feel and learn how to keep themselves safe and secure;
- Develop the confidence of our children and young people and enhance their self-esteem;
- Protect the entitlement of our children and young people to a broad and balanced curriculum and relevant learning experiences.

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Trustees' Annual Report (Continued)

Period from 21 December 2012 to 31 August 2013

Fitzwaryn school has offered an Outreach service to other schools since 2009. This service is accessed by primary and secondary mainstream schools in the Partnerships of Wantage and Faringdon schools. Support is sought for individual pupils and also for groups of pupils with a variety of needs. The school also offers Team Teach training as well as other forms of behavior support. Alongside this, Staff from Fitzwaryn School will observe individual pupils or groups of pupils and then target support to teachers and teaching assistants. The School also offers in reach support and can accommodate a maximum of 10 mainstream pupils in their twice weekly Communication Groups. This offer currently has a waiting list and is greatly in demand.

Pupils from Fitzwaryn School are also involved in an Integration program with some mainstream schools in both the Wantage and the Faringdon Partnerships of schools; which involves pupils from Fitzwaryn School being included in weekly or fortnightly sessions with their peer group. There are regular community projects which involve collaborative planning between teachers at Fitzwaryn School and teachers in mainstream schools, culminating in whole classes from Fitzwaryn and other schools participating in joint activities.

Some pupils in Year 10 take one of their Science modules at the local Secondary School. Some Year 10 and Year 11 pupils attend a local further education college for half a day a week, in order to achieve the ICT element of their Functional Skills and ASDAN Youth Award Scheme accreditation. Post year 11 some of the students will go on to spend a further 3 years in further education, others will join the Student Centre at Fitzwaryn School. In 2013, 7 pupils achieved their Bronze Duke of Edinburgh award. The Award is now run as a club after school and pupils are working towards Bronze and, in some cases, Silver Award.

Students from the Student Centre participate in a joint project with 2 other special schools and a local FE college, based at Abingdon and Witney, learning about Arts and Crafts and Horticulture within an enterprise scheme. Students from the Student Centre also attend, along with students from another special school in Oxford City, a weekly PE session run by sixth form students and teachers at the local Secondary School. Student Centre students are also enabled to participate in regular work experience opportunities. The role of the OSLO (Out of School Liaison Officer) operates in both schools and accesses support services and funding for pupils and their families.

Kingfisher pupils access the following extra curricular and out of school activities:

- Active8 – SEN trampolining club run at King Alfred's School on a Tuesday after school, term time only
- Barnardos holiday scheme at John Watson School
- Buddies - SEN Youth Club on a Wed evening, at the Hub at Abingdon run by Barnardos. Term time only
- Beavers. Monday night in Abingdon. Term time only
- Club at The Hub. – SEN Youth Club run at the Hub in Didcot on a Wednesday evening organised by Core Children's Services. Term time only
- Church Youth group at Marcham on a Friday after school. Term time only.
- SEN Feel Inspired Golf Academy run at Waterstock Golf Club for 6 weeks every summer with taster days in the Spring to find new recruits. Organised by the Bucks, berks and Oxon (BB&O) Partnership
- Guides on a Monday evening in Abingdon. Term time only
- Guideposts both ASC and Holiday scheme both based at Kingfisher School
Guideposts Youth Club in Abingdon on a Friday evening. Term time only.

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Trustees' Annual Report (Continued)

Period from 21 December 2012 to 31 August 2013

- Higher Energy Trampolining at OXSRAD on a Tuesday evening. Term time only
- KEEN – runs for the 8 weeks of the Oxford University Terms only. 2 different activities:
- Allsorts sports based activity in Oxford on a Saturday afternoon.
- KEEN Teens SEN Youth group on a Friday evening in Oxford
- Little kickers football skills club on a Sunday morning in Abingdon.
- Stagecoach, known locally as Interact. Based at John Watson school on a Thursday afternoon, 10 weeks each term.
- SEN Tennis. Currently based at Abingdon Leisure Centre once per month over the winter before going back to Faringdon Tennis Club.
- Soundabout. Based near Worminghall in Bucks; a specialist music provision. This is a wide range of activities all based around music. for children with complex and challenging behaviours.

In both schools, some pupils and students attend 'Guideposts', AAA and Beatbox – a local youth clubs for children with learning difficulties. An OSLO (Out of School Liaison Officer) works closely with families to place the children in out of school activities.

Barnados now run a regular holiday scheme based at Fitzwaryn School, which are proving to be increasingly popular together with a long standing summer holiday club run by the Friends of Fitzwaryn which is also popular for both pupils and their siblings. Guideposts operate a regular holiday scheme based at Kingfisher.

Public Benefit

The Trustees of the Propeller Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties for the period ending August 31st 2013.

Achievements and Performance

Kingfisher School was inspected in June 2010 when it was judged to require special measures. A further inspection, in November 2011, judged that the school no longer required special measures. Kingfisher School was considered to provide a satisfactory education because there had been rapid improvement in several key aspects of its work. Pupils' achievement was judged to be satisfactory, due to the good quality of teaching and the improved curriculum. Teachers and support staff were seen to work together as a committed team under the very effective leadership of the two acting headteachers and a substantive Head from Sept 2012. In February 2013, Kingfisher School converted to Academy status as a member of The Propeller Academy Trust, sponsored by Abingdon and Witney College and Fitzwaryn School, Wantage. Self Evaluation now supports the judgement that Kingfisher provides a good education. This judgement is based on the evidence summarised below that:

- Teaching is at least good and some is outstanding.
- 84% of our pupils in Key Stages 1-4 have made good – outstanding progress in Communication, Language and Literacy.
- Three years of secure pupil performance data has now been collected for English and Maths. From the analysis of this data it is evident that the % of pupils and students within Key Stages 1-4 making good – outstanding progress over time is increasing. These statistics are based on the data from the National Progression Guidance;

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Period from 21 December 2012 to 31 August 2013

- Recent data on Science and ICT demonstrates that the percentage of pupils making good – outstanding progress is increasing with these statistics based on data from the National Progression Guidance;
- The achievement of those pupils supported by the use of Pupil Premium matches or exceeds that of other pupils within the school.
- The Sixth form curriculum provides accreditation for all students and focusses on the development of their independent and social skills in preparation for life after school. It is relevant to their needs and supports their good progress (ASDAN records);
- Parents / Carers value the provision within the Kingfisher Sixth Form;
- Future destinations are planned carefully with Social Care, Connexions, Parents/Carers (Moving on plans / Annual Reviews);
- Alternative destinations are suggested in accordance with the needs of the student and these have proven successful.

For Fitzwaryn the last two OFSTED inspection outcomes (2005, 2008) have both identified Fitzwaryn School as being Outstanding. The school has achieved Enhanced Healthy Schools status, Basic Skills Marks for both Primary and Secondary schools, Sports Mark, CPD Mark, Eco Schools Green Flag mark, Arts Mark and is working towards ICT Mark and International Mark.

All pupils operate at well below the National Standards expected for their age due to their Special Educational Needs. Due to the size of cohorts attainment needs are evaluated pupil by pupil. The systems used in school to facilitate this type of evaluation are School performance data. There is a comprehensive monitoring system of all aspects of pupil progress. Systems have recently been reviewed and have resulted in a more accurate picture of progress towards targets for individuals. Due to the generic nature of the school, students are regarded as individuals, rather than analysing the data in cohorts. The cohorts are so small and the nature of the pupils' special needs is very variable and altering, the ratio of MLD/SLD/Autism is rapidly changing, challenging the rigour of year on year comparison.

All pupils make significant progress from whatever level they start; these judgments have been validated by the School Improvement Partner (SIP) as part of the monitoring process. The pupils in the school are keen to learn as observed in lesson observations and are rarely off task.

All pupils do well despite the fact they all have learning difficulties or disabilities. Faced with challenging activities they generally can be relied upon to rise to the challenge. Pupils are keen to participate in whatever opportunities they are offered.

We know pupils make good progress because we have comprehensive system of assessing pupil progress and monitoring the impact of teaching on pupil learning.

Alongside Abingdon and Witney College, Fitzwaryn School is the sponsor for Kingfisher School and further strategies to share expertise and good practice within the Trust continue to develop. To ensure that standards are continually raised, the schools submit a comprehensive self –evaluation to the Trust which includes observation of lessons, scrutiny of pupils work, questionnaires and focus groups. An Academy Improvement Group consisting of the two Headteachers and the Principal from the College has been established.

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Trustees' Annual Report (*Continued*)

Period from 21 December 2012 to 31 August 2013

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.

Key Financial Performance indicators

Financial Review

Financial Report for the Year

The Propeller Academy Trust practices through its Board, namely the Board of Trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the Board of Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Propeller Academy Trust Board of Trustees accept managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Members of the Propeller Academy Trust collectively and at all levels, whilst more minor risks are dealt with at local Governing Body level and by the Head Teachers.

Most of the income of the Propeller Academy Trust is obtained through the individual school funding streams from the EFA / DfE in the form of recurrent grants, the use of which is restricted to specific purposes. Owing to the nature of the schools, both receive further top up grants from the local authority and also other authorities for out of county pupils. Both schools retain their individual budget share, although these do sit within the single bank account of the Trust. The grants received from the EFA/DfE and local authority during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The schools also receive limited income from other sources such as community use of the swimming pool and other lettings opportunities.

The Academy also receives grants for fixed assets from the EFA | DfE and other donors. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

For Fitzwaryn during the period ended 31 August 2013, total expenditure of £902,755 (excluding pension scheme liability transferred) was more than covered by grant funding from the EFA / DfE combined with the carry forward from Oxfordshire County Council at conversion. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension funds) was £291,045 including £258,492 transferred on conversion.

For Kingfisher during the period ended 31st August 2013, total expenditure of £912,274 (excluding pension scheme liability transferred) was more than covered by grant funding from the EFA / DfE combined with the carry forward from Oxfordshire County Council at conversion and start up grants for converting to an academy. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension funds) was £141,443 including £66,203 funds transferred on conversion.

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Trustees' Annual Report (Continued)

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Financial and Risk Management Objectives and Policies

Principal Risks and Uncertainties

The Propeller Academy Trust became operational from the 1st February 2013. The main financial instruments that it deals in are bank balances, cash, trade creditors and limited trade debtors. The Propeller Academy Trust has not made any investments in the period other than holding the cash in its bank account. As such there is limited risk in the nature of the Propeller Academy Trust's transactions.

The principal financial risks are a reduction in pupil numbers in both schools or in one single school, reduction in central government funding, unbudgeted increase in teaching or support staff costs owing to sudden increase in pupil numbers above the already funded places, or unbudgeted major capital repairs. The risks presented here are mitigated by the strong surplus reserves confirmed for both schools at the close down on 31 August 2013.

Reserves Policy

During the period 1 February to 31 August 2013 the Propeller Academy Trust had not been in a position to identify any potential reserves. A Reserves Policy was under review during this period and will be approved for the new financial year. The carry forwards identified for both schools as of 31st August 2013 have been used in support of the three year budgets. Both schools have 3 year indicative budgets with surpluses, the surpluses being de facto reserves until the formal policy is adopted.

At 31 August 2013 the total funds comprised:

	£
Unrestricted	31,950
Restricted:	
Fixed asset funds	13,152,586
GAG	75,833
Pension reserve	(1,038,000)
Other	324,695
	<u>12,547,064</u>

The deficit on the pension reserve relates to the non teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 16. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent less than one month's worth of Academy expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

Investment Policy

During the period relating to these accounts, no investments were held.

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Plans for Future Periods

The Propeller Academy Trust will continue to strive to improve the outcomes for all our pupils in order that they may access society. The nature of the special school means that staffing costs can fluctuate rapidly at short notice and any point during the year owing to the addition of a pupil with high level needs joining one of the schools. Staffing remains the greatest challenge in this environment, not only to source it at short notice, but to fund it together with providing a stimulating and enriching curriculum.

Fitzwaryn has recently undergone a substantial rebuild and now has state of the art facilities including a purpose built Post 16 Centre. The key focus for the next financial year is to redevelop the outside learning environment.

Kingfisher School successfully secured a £70K grant to redevelop the outside learning space during the summer of 2013. At this time, the pupils at Kingfisher tend to have greater requirements for a higher staff ratio than Fitzwaryn and staffing will continue to be the greatest risk for Kingfisher against it pursuing other significant projects. However further projects are being planned to improve the health and safety of the school with new fencing and gates and improvements to the access around the school for pupils, through the use of sensor opening doors and specific eye gaze technology for pupils to use to improve their independence.

Funds held as Custodian Trustee on behalf of others

The Trust does not act as custodian trustee for any other charity.

Auditor

In so far as the Trustees are aware:

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

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by order of the board of trustees on 9 December 2013 and signed on its behalf by:

.....
Karyn Buck
Chair of Trustees

Registered Office:
Abingdon Campus
Wootton Road
Abingdon
Oxon OX14 1GG

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Governance Statement

Period from 21 December 2012 to 31 August 2013

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Propeller Academy 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 Headteacher of Fitzwaryn, 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 Propeller Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The **Board of Trustees** has formally met 5 times during the period 1st February to 31st August 2013. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Karyn Buck (Chairman)	5	5
Dr Niall Barr	2	5
Miss Teresa Kelly	3	5
Mrs Stephanie Coneboy (Responsible Officer)	5	5
Mrs Adrienne Martin	4	5
Mr Barry Taylor	5	5
Mrs Davina Mackay	2	5
Mr Julian Rideout	4	5
Mr Terry Stock	4	5
Mrs Sharon Parr	1	5

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. In summary its purpose is to consider the Trust's indicative funding, notified annually by the DfE, and to assess its implications for the academies, in consultation with the Headteachers, in advance of the financial year, drawing any matters of significance or concern to the attention of the Propeller Academy Trust Board of Trustees. It also considers and recommends acceptance/non-acceptance of the academies' proposed budgets for each financial year to the full Propeller Academy Trust Board of Trustees. The committee will contribute to the formulation of the academies' Strategic and Development Plans, through the consideration of financial priorities and proposals, in consultation with the Headteachers, with the stated and agreed aims and objectives of the academies. It also monitors that financial practise and controls are in line with the financial manual of guidance

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Governance Statement (continued)

Period from 21 December 2012 to 31 August 2013

Director / Trustee	Meetings attended	Out of a possible
Dr Niall Barr	1	1
Mrs Stephanie Coneboy	1	1
Mrs Adrienne Martin	1	1
Mr Barry Taylor	1	1
Mr Julian Rideout	1	1
Mr Terry Stock	0	1

The audit committee had not yet formed during the period to which these accounts relate.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Propeller 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 was developed and implemented and has been in place in for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees continue to review the key risks to which the Propeller Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees accepts that the Risk Register is a working document which they have been developing as a formal ongoing process for identifying, evaluating and managing the Propeller Academy Trust's significant risks. Although not formalised, the board of Trustees have been aware of monitoring risk for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. The Board of Trustees accept that this is an area for immediate focus and that it will be a key priority for the newly formed Audit Committee to review and monitor.

Leadership on risk management is undertaken for the Trust by the F & GP Committee which also manages strategic risks. Operational risks are overseen by LGBs and day-to-day management is the responsibility of head teachers.

The principal risks at school level relate to H&S and safeguarding. Both schools have risk assessments in place for staff, pupils and visitors. Both schools have safeguarding procedures in place. All staff are trained in these functions with refresher training on a regular basis. A&W College have specialist H&S staff who visit the schools, undertake audits and provide training and support.

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Governance Statement (continued)

Period from 21 December 2012 to 31 August 2013

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:

- to appoint Oxfordshire County Council Finance as Responsible Officer.
- Mrs Stephanie Coneboy Headteacher Fitzwaryn as Accounting Officer;
- the Trustees have appointed Macintyre Hudson the external auditor, to perform additional checks;
- extended the role and responsibility of F&GP to include audit

Each audit function includes giving advice on financial matters and performing a range of checks on the Propeller Academy Trust's financial systems. On a quarterly basis, the Responsible Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities. During the period ending 31 August the Responsible Officer carried out an audit of Fitzwaryn in June 2013. The first audit for Kingfisher has taken place in September 2013. An external audit was carried out in both schools during September to inform the accounts ending 31 August 2013.

Review of Effectiveness

As Accounting Officer, the Headteacher of Fitzwaryn has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer's report with reference to Fitzwaryn;
- the work of the external auditor;
- the financial management and governance self assessment process completed during the summer term in both schools;
- the work of the Finance and General Purposes Committee of the Propeller 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 General Purposes Committee and together with the appointment of a new Business Development Manager, will continue to strengthen systems and controls. No areas of weakness have been identified at the period end 31st August 2013.

Approved by order of the members of the board of trustees on 9 December 2013 and signed on its behalf by:

.....
Karyn Buck
Chair of Trustees

.....
Stephanie Coneboy
Accounting Officer

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Statement on Regularity, Propriety and Compliance

Period from 21 December 2012 to 31 August 2013

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

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

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

.....
Stephanie Coneboy
Accounting Officer

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Statement of Trustees' Responsibilities

Period from 21 December 2012 to 31 August 2013

The Trustees (who are also Directors of The Propeller Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 Academy and of the incoming resources and application of resources, including the 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Propeller Academy Trust 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 Propeller Academy Trust 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 Academies apply financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the DfE/EFA 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 Trust'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 2013 and signed on its behalf by:

Karyn Buck
Chair of Trustees

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Independent Auditor's Report to the Members of The Propeller Academy Trust

Period from 21 December 2012 to 31 August 2013

We have audited the financial statements of the Propeller Academy Trust for the period from 21 December 2012 to 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page 20, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013 and of its incoming resources and application of resources for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Independent Auditor's Report to the Members of The Propeller Academy Trust *(continued)*

Period from 21 December 2012 to 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

BIANCA SILVA ACA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Statutory Auditor and Chartered Accountants

23 December 2013

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to The Propeller Academy Trust
and the Education Funding Agency**

Period from 21 December 2012 to 31 August 2013

In accordance with the terms of our engagement letter dated 8 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Propeller Academy Trust during the period 1 February 2013 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Propeller Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Propeller Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 February 2013 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to The Propeller Academy Trust
and the Education Funding Agency (continued)**

Period from 21 December 2012 to 31 August 2013

Approach (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;

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

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

MHA MACINTYRE HUDSON
Chartered Accountants

23 December 2013

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Period from 21 December 2012 to 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 7months to 31 Aug 13 £
Incoming resources					
Incoming resources from generated funds:	1				
Voluntary income		6,950	2,133	–	9,083
Transfer on conversion		–	(501,305)	13,202,999	12,701,694
		<u>6,950</u>	<u>(499,172)</u>	<u>13,202,999</u>	<u>12,710,777</u>
Activities for generating funds	2	32,291	–	–	32,291
Investment income	3	210	–	–	210
Incoming resources from charitable activities:					
Funding for educational operations	4	–	1,855,266	40,125	1,895,391
Total incoming resources		<u>39,451</u>	<u>1,356,094</u>	<u>13,243,124</u>	<u>14,638,669</u>
Resources expended					
Charitable activities					
Academy trust's educational operations	6	7,501	1,780,232	108,873	1,896,606
Governance costs	7	–	7,999	–	7,999
Total resources expended		<u>7,501</u>	<u>1,788,231</u>	<u>108,873</u>	<u>1,904,605</u>
Net incoming resources before transfers	9	<u>31,950</u>	<u>(432,137)</u>	<u>13,134,251</u>	<u>12,734,064</u>
Gross transfers between funds		–	(18,335)	18,335	–
Net income for the period		<u>31,950</u>	<u>(450,472)</u>	<u>13,152,586</u>	<u>12,734,064</u>
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes			(187,000)		(187,000)
Net movement in funds		<u>31,950</u>	<u>(637,472)</u>	<u>13,152,586</u>	<u>12,547,064</u>
Reconciliation of funds					
Total funds carried forward at 31 August 2013		<u>31,950</u>	<u>(637,472)</u>	<u>13,152,586</u>	<u>12,547,064</u>

All of the academy trust's activities derive from acquisitions in the current financial period.

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

The accounting policies and notes on pages 28 to 48 form part of these financial statements.

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Balance Sheet

31 August 2013

	Note	31 Aug 13	
		£	£
Fixed assets			
Tangible assets	13		13,132,432
Current assets			
Debtors	14	72,988	
Cash at bank		<u>502,562</u>	
		575,550	
Creditors: amounts falling due within one year	15	<u>(122,918)</u>	
Net current assets			452,632
Total assets less current liabilities			<u>13,585,064</u>
Provisions for liabilities			
Pension scheme liability	17		<u>(1,038,000)</u>
Net assets including pension liability			<u>12,547,064</u>
Funds of the academy trust:	18		
Fixed asset fund		13,152,586	
Restricted income funds		400,528	
Pension scheme		<u>(1,038,000)</u>	
			12,515,114
Unrestricted income funds:			
General fund			<u>31,950</u>
Total funds			<u>12,547,064</u>

These financial statements were approved by the Trustees, and authorised for issue on 9 December 2013 and are signed on their behalf by:

.....
Karyn Buck
Chair of trustees

.....
S Coneboy
Headteacher

The accounting policies and notes on pages 28 to 48 form part of these financial statements.

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Cash Flow Statement

Period from 21 December 2012 to 31 August 2013

	Note	Period from 7 months to 31 Aug 13	
		£	£
Net cash inflow from operating activities	24		173,029
Returns on investments and servicing of finance	25		
Interest received		<u>210</u>	
Net cash inflow from returns on investments and servicing of finance			210
Capital expenditure	26		1,819
Increase in cash in the period			<u>175,058</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion			<u>327,504</u>
Net funds at 31 August 2013			<u><u>502,562</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

The accounting policies and notes on pages 28 to 48 form part of these financial statements.

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Accounting Policies

Period from 21 December 2012 to 31 August 2013

Basis of accounting

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

Incoming resources

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

Grants receivable

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

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

Donations

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

Other income

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

Donated services and gifts in kind

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

Resources expended

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

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 21 December 2012 to 31 August 2013

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

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 the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

Fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Assets transferred at inception have been included at the estimated depreciated replacement cost.

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

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

Impairment losses are recognised in the Statement of Financial Activities.

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Accounting Policies (*continued*)

Period from 21 December 2012 to 31 August 2013

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property		2% per annum on cost
Equipment	-	20% per annum on cost
ICT equipment	-	33% per annum on cost

Freehold land is not depreciated.

Operating lease agreements

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

Pension costs

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 21 December 2012 to 31 August 2013

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Conversion to academy trust

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the predecessor schools to the Academy Trust have been valued at their estimated depreciated replacement cost being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost is in accordance with the accounting policies set out for The Propeller Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The land & buildings of the academy are held on a 125 year lease. Further details of the transaction are set out in note 20.

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

1. Incoming resources from generated funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 7 months to 31 Aug 13 £
Donations	6,950	2,133	–	9,083
Transfer on conversion (note 20)	–	(501,305)	13,202,999	12,701,694
	<u>6,950</u>	<u>(499,172)</u>	<u>13,202,999</u>	<u>12,710,777</u>

2. Activities for generating funds

	Unrestricted Funds £	Total Funds 7 months to 31 Aug 13 £
Hire of facilities	19,883	19,883
Catering income	7,007	7,007
School clubs	5,401	5,401
	<u>32,291</u>	<u>32,291</u>

3. Investment income

	Unrestricted Funds £	Total Funds 7 months to 31 Aug 13 £
Bank interest receivable	210	210
	<u>210</u>	<u>210</u>

The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

4. Charitable Activities - Trust Educational Operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 7 months to 31 Aug 13 £
DfE/EFA grants			
General Annual Grant (GAG)	1,165,571	–	1,165,571
EFA Start up grant A	6,808	–	6,808
EFA Start up grant B	17,797	–	17,797
Pupil premium	7,395	–	7,395
Lead in grant	61,135	–	61,135
16 - 19 Bursary	2,019	–	2,019
Other EFA Revenue grants	3,167	–	3,167
EFA Capital grants	–	40,125	40,125
	<u>1,263,892</u>	<u>40,125</u>	<u>1,304,017</u>
Other Government grants			
SEN income	533,149	–	533,149
Other local authority Revenue	49,275	–	49,275
	<u>582,424</u>	<u>–</u>	<u>582,424</u>
Other income			
Trip income	2,329	–	2,329
School fund income	6,621	–	6,621
	<u>8,950</u>	<u>–</u>	<u>8,950</u>
	<u>1,855,266</u>	<u>40,125</u>	<u>1,895,391</u>

The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

5. Costs of charitable activities by activity type

	Staff costs £	Premises £	Other costs £	Total Funds 7 months to 31 Aug 13 £
Trust's educational operations:				
Direct costs	1,311,606	108,873	98,136	1,518,615
Allocated support costs	<u>142,673</u>	<u>148,799</u>	<u>86,519</u>	<u>377,991</u>
	1,454,279	257,672	184,655	1,896,606
 Governance costs including allocated support costs	 -	 -	 7,999	 7,999
	<u><u>1,454,279</u></u>	<u><u>257,672</u></u>	<u><u>192,654</u></u>	<u><u>1,904,605</u></u>

The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

6. Charitable activities - Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 7 months to 31 Aug 13 £
Direct costs				
Teaching staff	-	1,268,049	-	1,268,049
Supply teaching staff	-	12,130	-	12,130
Education support staff	-	31,427	-	31,427
Travel and subsistence	-	471	-	471
Staff training	-	11,299	-	11,299
Employee expenses	-	6,047	-	6,047
Educational supplies	494	26,085	-	26,579
School trip expenditure	-	13,786	-	13,786
Transportation	-	8,906	-	8,906
School fund	-	2,357	-	2,357
ICT learning resources	-	16,804	-	16,804
Examination fees	-	401	-	401
Professional fees	-	11,486	-	11,486
Depreciation	-	-	108,873	108,873
	<u>494</u>	<u>1,409,248</u>	<u>108,873</u>	<u>1,518,615</u>
Allocated support costs				
Support staff costs	-	142,673	-	142,673
Travel and subsistence	-	1,467	-	1,467
Other staff costs	-	8,226	-	8,226
Maintenance of premises	-	22,759	-	22,759
Equipment maintenance	-	2,932	-	2,932
Cleaning	-	14,019	-	14,019
Water and sewerage	-	4,490	-	4,490
Energy	-	39,769	-	39,769
Waste disposal	-	3,278	-	3,278
Other occupation costs	-	27,135	-	27,135
Catering	7,007	1,999	-	9,006
Legal and professional	-	54,148	-	54,148
Premises insurance	-	34,417	-	34,417
Administrative supplies	-	13,672	-	13,672
	<u>7,007</u>	<u>370,984</u>	<u>-</u>	<u>377,991</u>
	<u><u>7,501</u></u>	<u><u>1,780,232</u></u>	<u><u>108,873</u></u>	<u><u>1,896,606</u></u>

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

7. Governance costs

	Restricted Funds £	Total Funds 7 months to 31 Aug 13 £
Accountancy fees	999	999
Audit fees	7,000	7,000
	<u>7,999</u>	<u>7,999</u>

8. Central services

There is no allocation to central services as all income and expenditure are directly attributable to each academy school.

9. Net incoming resources for the period

This is stated after charging:

	2013 £
Staff pension contributions	195,079
Operating leases	
Other	1,558
Fees payable to auditor	
Audit	7,000
Other services	999
Depreciation	<u>108,873</u>

10. Staff costs and emoluments

	2013 £
Wages and salaries	1,190,640
Social security costs	68,560
Other pension costs	195,079
	<u>1,454,279</u>

Particulars of employees:

The average number of persons (including senior management team) employed by the academy trust during the period

	2013
Teachers and teaching assistants	89
Administration and support	15
Management	6
	<u>110</u>

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

10. Staff costs and emoluments (continued)

The number of employees whose remuneration for the period fell within the following annualised bands, were:

£60,000 to £69,999	2013
	2
	<hr/>
	2
	<hr/> <hr/>

Both of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £10,641.

11. Trustees' remuneration and expenses

The Headteachers and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteachers and staff and not in their services as trustees. Other trustees did not receive any payments from the Trust in respect of their role as trustees. The value of the trustees' remuneration in the period to 31 August 2013 was as follows:

	Salary	Employer's
	£	pension
		£
Stephanie Coneboy (Headteacher)	£35-40,000	£5-10,000
Adrienne Martin (Headteacher)	£35-40,000	£5-10,000

No expenses were paid to Trustees for the period to 31 August 2013.

12. Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £2,435.

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

13. Tangible fixed assets

	Freehold land and buildings £	Equipment £	ICT equipment £	Total £
Cost				
Transfers	13,196,000		6,999	13,202,999
Additions	–	19,970	18,336	38,306
At 31 August 2013	<u>13,196,000</u>	<u>19,970</u>	<u>25,335</u>	<u>13,241,305</u>
Depreciation				
Charge for the Period	107,193	333	1,347	108,873
At 31 August 2013	<u>107,193</u>	<u>333</u>	<u>1,347</u>	<u>108,873</u>
Net book value				
At 31 August 2013	<u>13,088,807</u>	<u>19,637</u>	<u>23,988</u>	<u>13,132,432</u>

14. Debtors

	2013 £
VAT recoverable	47,302
Prepayments and accrued income	25,686
	<u>72,988</u>

15. Creditors: Amounts falling due within one year

	2013 £
Trade creditors	16,569
Taxation and social security	34,680
Other creditors	37,100
Accruals and deferred income	34,569
	<u>122,918</u>

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

16. Pensions and similar obligations

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

There were outstanding contributions of £34,459 at 31 August 2013.

The Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although Members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

The Propeller Academy Trust, Company number 08340120 Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

16. Pensions and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

**The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee**

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

16. Pensions and similar obligations (continued)

The Local Government Pension Scheme is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 were £124,000, of which employer's contributions totalled £95,000 and employees' contributions totalled £29,000. The agreed contribution rates is currently 19.3 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

Principal actuarial assumptions

	At 31 Aug 2013
Discount rate	4.7%
Rate of increase in salaries	5.1%
Rate of increase in pensions payment	2.9%
Inflation CPI	2.9%
RPI increases	3.7%

**The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

16. Pensions and similar obligations (continued)

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

	At 31 August 2013
Retiring today	
Males	19.2
Females	23.2
Retiring in 20 years	
Males	21.1
Females	25.1

Sensitivity analysis

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,992	2,053	2,116
Projected service cost	195	203	210
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	1,975	2,053	2,132
Projected service cost	193	203	213

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013 £
Equities	69%	699,000
Bonds	4%	41,000
Property	6%	61,000
Cash	4%	41,000
Gilts & Other (Hedge Funds)	17%	173,000
Total market value of assets		1,015,000
Present value of scheme liabilities - funded		(2,053,000)
Deficit in the scheme		<u>(1,038,000)</u>

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

**The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

16. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2013 £
Current service cost (net of employee contributions)	101,000
Interest on obligation	48,000
Expected return on Scheme assets	(29,000)
Total operating charge	120,000

Analysis of pension finance income/(costs)

	2013 £
Expected return on pension scheme assets	29,000
Interest on pension liabilities	(48,000)
Pension finance income/(costs)	(19,000)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is £187,000 loss.

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

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

	2013 £
On conversion	1,643,000
Current service cost	101,000
Interest on pension liabilities	48,000
Employee contributions	29,000
Actuarial loss	232,000
At 31 August 2013	2,053,000

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

	2013 £
On conversion	817,000
Expected return on pension scheme assets	29,000
Actuarial gain	45,000
Employer contributions	95,000
Employee contributions	29,000
At 31 August 2013	1,015,000

**The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

16. Pensions and similar obligations (continued)

Reconciliation of opening and closing deficit:

	2013
	£
Pension scheme liability transferred	(826,000)
Current service cost (net of employee contributions)	(101,000)
Employer contributions	95,000
Other finance income/(costs)	(19,000)
Actuarial gain/(loss)	(187,000)
Deficit at 31 August 2013	<u>(1,038,000)</u>

The one year history of experience adjustments is as follows:

	2013
	£
Present value of defined benefit obligations	(2,053,000)
Fair value of share of scheme assets	1,015,000
Deficit in the scheme	<u>(1,038,000)</u>
Experience adjustments on share of scheme assets	
Amount (£)	45,000
Amount (%)	7%

17. Commitments under operating leases

At 31 August 2013 the Trust had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings 2013 £
Operating leases which expire:	
Within 1 year	240
Within 2 to 5 years	2,159
	<u>2,399</u>

The Propeller Academy Trust, Company number 08340120
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Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

18. Funds

	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013 £
Restricted general funds					
General Annual Grant fund	1,165,571	(1,071,403)	–	(18,335)	75,833
Funds from predecessor school	324,695	–	–	–	324,695
Start up and lead in grants	85,740	(85,740)	–	–	–
Other EFA grants	12,581	(12,581)	–	–	–
Local Authority SEN funding	533,149	(533,149)	–	–	–
Other Local Authority funds	49,275	(49,275)	–	–	–
Defined benefit pension scheme	(826,000)	(25,000)	(187,000)	–	(1,038,000)
Other restricted income	11,083	(11,083)	–	–	–
	<u>1,356,094</u>	<u>(1,788,231)</u>	<u>(187,000)</u>	<u>(18,335)</u>	<u>(637,472)</u>
Restricted fixed asset funds					
Fixed asset fund	–	(108,873)	–	13,222,969	13,114,096
Capital expenditure from GAG	–	–	–	18,336	18,336
DFE capital grants	40,125	–	–	(19,971)	20,154
Assets transferred on conversion	13,202,999	–	–	(13,202,999)	–
	<u>13,243,124</u>	<u>(108,873)</u>	<u>–</u>	<u>18,335</u>	<u>13,152,586</u>
Total restricted funds	<u>14,599,218</u>	<u>(1,897,104)</u>	<u>(187,000)</u>	<u>–</u>	<u>12,515,114</u>
Unrestricted funds					
Unrestricted Fund	39,451	(7,501)	–	–	31,950
Total unrestricted funds	<u>39,451</u>	<u>(7,501)</u>	<u>–</u>	<u>–</u>	<u>31,950</u>
Total funds	<u>14,638,669</u>	<u>(1,904,605)</u>	<u>(187,000)</u>	<u>–</u>	<u>12,547,064</u>

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

	Total £
Kingfisher School	141,432
Fitzwaryn School	291,046
Total before fixed assets and pension reserve	432,478
Restricted fixed asset fund	13,152,586
Pension reserve	(1,038,000)
	<u>12,547,064</u>

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

18. Funds(continued)

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

- General annual grant to be spent on educational purposes as specified by the EFA.
- LGPS defined benefit pension scheme deficit represents the future pension funding requirements which will be met from future employer pension contributions.
- Restricted fixed assets are funds representing the amounts invested in fixed assets

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff	Educational Supplies	Other costs (excluding depreciation)	Total
	£	£	£	£	£
Kingfisher School	648,474	61,786	35,369	116,343	861,972
Fitzwaryn School	663,133	68,791	62,003	139,833	933,760
Total	<u>1,311,607</u>	<u>130,577</u>	<u>97,372</u>	<u>256,176</u>	<u>1,795,732</u>

19. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	-	-	13,132,432	13,132,432
Current assets	31,950	523,446	20,154	575,550
Current liabilities	-	(122,918)	-	(122,918)
Pension scheme liability	-	(1,038,000)	-	(1,038,000)
	<u>31,950</u>	<u>(637,472)</u>	<u>13,152,586</u>	<u>12,547,064</u>

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

20. Conversion to an Academy Trust

On 1 February 2013 the predecessor schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Academy Trust from Oxfordshire County Council for £nil consideration.

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

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Freehold/leasehold land & buildings	–	–	13,196,000	13,196,000
Other tangible fixed assets	–	–	6,999	6,999
Budget surplus/(deficit) on LA funds	–	297,148	–	297,148
Budget surplus/(deficit) on other school funds	–	27,547	–	27,547
LGPS pension deficit		(826,000)		(826,000)
Net assets/(liabilities)	<u>–</u>	<u>(501,305)</u>	<u>13,202,999</u>	<u>12,701,694</u>

The above net assets/(liabilities) include £327,504 that were transferred as cash.

21. Related party transactions

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

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

22. Ultimate controlling party

There is no ultimate controlling party.

23. Company limited by guarantee

The academy trust is a company limited by guarantee and does not have share capital.

The Propeller Academy Trust, Company number 08340120
Company Limited by Guarantee

Notes to the Financial Statements

Period from 21 December 2012 to 31 August 2013

24. Reconciliation of net incoming resources to net cash inflow from operating activities

	2013 £
Net incoming resources before transfers	12,734,064
Fixed assets transferred from local authority on conversion	(13,202,999)
Depreciation	108,873
Cash transferred on conversion	(327,504)
Pension liability transferred on conversion	826,000
Capital grant	(40,125)
Pension charge	25,000
Interest receivable	(210)
Decrease/(increase)in debtors	(72,988)
(Decrease)/increase in creditors	122,918
Net cash inflow from operating activities	<u>173,029</u>

25. Returns on investments and servicing of finance

	2013 £
Interest received	<u>210</u>

26. Capital expenditure

	2013 £
Capital grant received	40,125
Purchase of tangible fixed assets	(38,306)
Net cash inflow from capital expenditure and financial investment	<u>1,819</u>

27. Analysis of changes in net funds

	On conversion £	Cash flows £	31 Aug 13 £
Cash at bank	<u>327,504</u>	<u>175,058</u>	<u>502,562</u>

28. 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.