

Company Registration Number: 08340120 (England & Wales)

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Diana Batchelor (resigned 25 March 2020) Paul McConaghy Terry Stock (resigned 15 June 2020) Ellen Moran (appointed 17 March 2020) Philip Hutchinson (appointed 6 February 2020)
Trustees	Gay Campbell, Chair Timothy Hodgson Barbara Harker (resigned 6 January 2020) Davina MacKay Paula Bolton (resigned 13 November 2019) John Chadwick (appointed 1 July 2020) Kristina Crabbe (appointed 29 January 2020) David Kadarauach (appointed 6 July 2020) Sarah Mitchell (appointed 23 July 2020) Rebecca Scales (appointed 6 February 2020) Dylan Thomas (appointed 4 June 2020)
Company registered number	08340120
Company name	The Propeller Academy Trust
Principal and registered office	Fitzwaryn School Denchworth Road Wantage Oxon OX12 9ET
Company Secretary / Chief Operations Officer / Chief Finance Officer	Tracey Stratton
Accounting Officer	Stephanie Coneboy
Senior management team	Fitzwaryn School Stephanie Coneboy, Headteacher and Accounting Officer Jane Edwards, Deputy Headteacher Chris Slatter, Assistant Headteacher Rebecca Broomfield, Head of Accreditation and Transition Kingfisher School Lorraine Wilson, Headteacher Kate Downes, Deputy Headteacher Lorraine Green, Assistant Headteacher
Independent auditors	James Cowper Kreston 2 Communications Road Greenham Business Park Greenham Newbury Berkshire RG19 6AB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers Lloyds Bank plc
8 Ock Street
Abingdon
OX14 5AP

Solicitors Knights plc
Midland House
Westway
Oxford
OX2 0PH

THE PROPELLER ACADEMY TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

DIRECTORS REPORT

The Directors present their annual report together with the audited financial statements of The Propeller Academy Trust (Company number 08340120 'the charitable company') for the year ending 31 August 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy, which was incorporated on 21st December 2013 and opened as an Academy on 1st February 2013, 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.

The Directors act as the Trustees for the charitable activities of the Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member. Replacement Members were sourced during the reporting year following the external retirement and subsequent decision to step down from the Trust of two Members. Compliant governance was maintained and the Trust expects to increase the number of Members in the next reporting period.

Directors' Indemnities

The Directors benefit from unlimited indemnity insurance purchased by the Academy to cover the liability of the Directors arising from negligent acts, errors or omissions occurring whilst on Academy business.

Principal Activities

The Trust operates 2 special schools in South Oxfordshire, in Abingdon and Wantage. The schools have a combined pupil capacity of 212 as at 31 August 2020.

The principal activity of the Academy is to advance the education of children with special needs, from the age of 2-19, offering a broad and balanced curriculum and specialising in, but not limited to MLD, SLD and PMLD.

Method of Recruitment and Appointment or Election of Directors

On 1st February 2013, the Trustees appointed all those Directors that served the predecessor school to be Directors of the newly formed Academy. These Directors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. In September 2018, following a reconstitution, the Trust commenced the financial year with full segregation of duties and roles, through all levels of Governance at Member, Director and Governor level, bringing greater rigour to the Trust.

Following the reconstitution, the Academy shall have the following Directors as set out in its Articles of Association and Funding Agreement:

- up to 10 Directors, who are appointed by the Members (7) and Directors (3)
- of which up to 2 Parent Directors who are elected by the parents of registered pupils at the Academy if there are no parents at the local committee level
- of which up to 1 Staff member, limited to the role of the CEO (provided that the total number of Directors, who are employees of the Academy, does not exceed one third of the total number of Directors)

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Directors are appointed for a 4-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, The Trust will give consideration to the skills and experience of existing Directors in order to ensure the Trust has the necessary skills to contribute fully to the Academy's development. This academic year the Trust has continued to leverage the beneficial relationship with Academy Ambassadors to source additions to the Board in respect of change management, human resources, finance and business management. The strength and quality of the Board will enable greater focus on building and executing the strategic plan for the Trust.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of schools within the Trust and a chance to meet staff and pupils. Constraints have been evident for recent appointments in view of the impact of Covid-19 and restrictions on non-essential visitors to the schools, tours and meetings with staff and pupils are postponed until the situation improves. All Directors have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors in both company and charity law. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is access to a Directors training programme with specific training sessions to keep the Directors updated on relevant developments impacting on their roles and responsibilities. All Directors have the opportunity to undertake National Governor Association training and all Directors receive regular National Governor Association updates through the membership scheme to which they are enrolled as well as The Key and Oxfordshire training providers. This year has also joined the Better Governance scheme to enhance standards.

Organisational Structure

The Trust Board meets at least twice each term. The Trust Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Sub-Committees of the Trusts and the local Full Governing Body (FGB). It receives reports including policies from its Local Governing Body's (LGB) for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Trust Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 Committees of the Trust following the separation of Audit and Risk, as follows:

- Local Governing Body - Kingfisher
- Local Governing Body – Fitzwaryn
- Pay Committee – The Trust
- Audit and Risk Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Trust Board:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of Headteachers in conjunction with the Governors; and
- to appoint the Company Secretary.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors are responsible for setting general policy, approving the annual development plan, the budgets, the annual statutory accounts and monitoring the progress of each element through data and external verification. Directors also lead on major decisions about the direction of the individual Academy, capital expenditure in relation to reserves, key staff appointments and the strategic direction of the Trust as a whole.

The Directors have devolved the day-to-day management of the constituent Academies to the Headteacher and the Senior Leadership Team ('SLT') and Governors. All SLT teams include the Head Teachers, Deputy Head Teachers, Assistant Head Teachers and the Chief Operations Officer of the Trust as a minimum. The SLT implement the policies laid down by the Directors/Governors and report back to them on performance.

It should be noted that in response to Covid-19 the Trust have moved to virtual meeting platforms such as Zoom and Teams to ensure business continues to operate.

Risk Management

The Directors have implemented a 'GRC One system' to assess risks that the Academy and the Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. In 2020 this area was externally scrutinised to give the Directors external verification on the new system and controls.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control. In addition, one Headteacher sits on the Local Authority funding forum, and the Chief Operations Officer sits at the Business Leader National network forum to ensure that the view of the DFE and County is reflected in our current thinking to ensure Risk is proactively managed.

Arrangements for setting pay and remuneration of key management personnel and engagement with employees

The Academy's key management personnel are deemed to be the Chief Executive Officer (currently vacant), The Accounting Officer, the Chief Operations Officer and the Headteachers. These personnel are reviewed independently via the Pay Committee.

Benchmarking is undertaken against local market conditions and national comparison of academies in similar circumstances, in addition to consideration of contribution and skill set

The Trust does not exceed 250 employees and is exempt from reporting on engagement with staff and suppliers.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Trade union facility time

Relevant union officials

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
0	0

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	0
1-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

<i>Provide the total cost of facility time</i>	0
<i>Provide the total pay bill</i>	0
<i>Provide the percentage of the total pay bill spent on facility time, calculated as:</i>	0
<i>(total cost of facility time ÷ total pay bill) x 100</i>	0

Paid trade union activities

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:</i>	0
<i>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>	0

The Trust partners with Oxfordshire County Council to support training and time off for union officials across the county.

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DIRECTORS' REPORT (CONTINUED)
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Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of the Academy. Both schools in the Trust have active Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering of a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Wantage and Abingdon and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Trust during the period ended 31 August 2020 (in no priority order) are summarised below:

- To put the child at the heart of every decision
- To identify a strategy for growth for the Trust across the local, regional and national landscape
- To ensure the Trust continues to grow through expansion, both in pupil numbers and maximising capacity with all premises
- To ensure Head Teachers and Leaders provide a diverse and exciting curriculum across the Trust
- To ensure every school maintains or improves its Ofsted rating
- To ensure all locations are financially viable and well resourced, including sponsorship and donations
- To ensure best practice is shared and central costs minimised where possible.
- To have a regional and national voice in the educational picture
- To ensure every child remains safe in our care

Objectives, Strategies and Activities

The key priorities for the period are contained in the Academy's Development Plan (SDP) which is available from the relevant Headteacher.

The main activities of the Academy for the period ended 31 August 2020 were as follows:

Leadership and Management

- Both Schools continue to focus on excellent facilities and experiences for children
- Both Schools received positive Ofsted reports with strong curriculum offerings
- The Trust has successfully continued a program of sponsorship and received a few small grants although progress has been delayed due to Covid-19
- The Trust has met all compliance requirements
- The Trust has reviewed in detail its strategic direction and growth, with a clear option for execution in 2019/2020, however progress was delayed due to Covid-19
- Both schools individually remain financially viable, and continue to provide a good education and value for money
- Both schools have strong parental and stakeholder engagement
- Both schools have strong succession planning, whilst capacity and utility have been well managed following the period of expansion which has now stabilised

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As the Covid-19 global pandemic started to affect the UK in March, the schools within the Trust had naturally to shift their focus to maintain the health and well-being of their communities. There was a significant reduction in the number of pupils who attended the school physically. However, all pupils were supported in 'Home Education' via teacher and teaching assistant (TA) communication via telephone calls, emails and online face to face meetings. It is testament to staff in both schools that the vast majority of staff and pupils have returned to school in a positive manner. It should be noted that both schools remained open throughout the pandemic with the exception of one week prior to the Easter period and careful monitoring of the changing Government guidance ensured adequate measures were in place in line with expectations throughout the impacted terms.

It should also be noted that during this period the Trust continued to develop its buildings and facilities in line with the business development plan to ensure that compliance and building safety remained paramount. Areas of focus included external inspections for Fire Safety and structural buildings surveys.

The quality of education is recognised in the following student achievements: -

Fitzwaryn

Year 11

ASDAN Entry Level Certificate in Personal Progress (Entry 1)	1 pupil
ASDAN Silver in Personal Development	4 pupils
ASDAN Gold in Personal Development	3 pupils

Year 14

NOCN Entry Level Certificate in Personal Progress (Entry Level 1)	3 pupils
NOCN Diploma for Independent Living (Entry Level 2)	1 pupil
NOCN Diploma for Independent Living (Entry Level 1)	2 pupils

The Duke of Edinburgh Award was introduced as part of the Post 16 offer from September 2018. All pupils who were eligible to achieve the Bronze Award were successful.

Destinations July 2020

Year 11

Abingdon and Witney College	1 pupil
Fitzwaryn Post 16	7 pupils

Year 14

Newbury College	1 pupil
New Horizons – Swindon	1 pupil
Oxford College	1 pupil
Derwen Residential College	1 pupil

The families of two pupils are appealing against the LA decision for Post 19 placement. Both appeals are scheduled for Autumn Term 2.

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Kingfisher

Year 11
ASDAN Transition Challenge Award 6 pupils

Year 14
ASDAN Personal Progress Certificate 1 pupil

Destinations July 2020

Year 11
Kingfisher Post 16 6 pupils

Year 14
Abingdon and Witney College (Witney Campus) 1 pupil

Teaching and Learning

Fitzwaryn

In March 2019, Ofsted found at Fitzwaryn:

- The current curriculum plan meets pupils' needs well.
- Teachers carefully plan lessons which meet pupils' specific needs, making good use of resources and activities to engage pupils and make learning fun. They correctly evaluate what pupils can already do and deliver lessons which enable pupils to make the next steps in their learning.
- The wider curriculum and extra-curricular opportunities meet pupils needs exceptionally well. The recent introduction of the Duke of Edinburgh Award is a further example of leaders and teachers' aspirations for pupils.
- Leaders and teachers set appropriate and often ambitious individual targets for pupils. School tracking shows that pupils do very well and frequently meet the targets they are set.

The school maintained its Outstanding grade.

Planned SDP priorities for 2019 - 2020 focussed on

Outcomes for Children

- To continue the work to refine the curriculum so that it meets pupils' needs even more fully. *Ofsted Priority*
- To ensure that the 'most able' pupils are consistently challenged to achieve as well as they can in all areas of the curriculum, including English and Maths. *Ofsted Priority*
- To ensure that systems and routines of communication are consistent across the school. *Ofsted Priority*
- To further enhance subject leadership by embedding a system of curriculum clusters.
- To improve teaching by sharing best practice via a system of effective peer review.
- To further develop Multi Me.
- To further develop training opportunities for governors in aspects of assessment and curriculum.
- To formalise the capturing of 'soft' data to ensure we are measuring and reporting a wider range of achievements.
- To formalise the offer of school delivered therapies, measure and analyse and ensure their impact is reported.
- Introduce and monitor implementation of ASDAN AoPE and CoPE (also PD).
- Investigate FS Maths and English for post 16 pupils.
- Use comparative data within B-Squared to track progress (also L&M).

English:

- To ensure that the 'most able' pupils are consistently challenged to achieve as well as they can in English.
- To further develop the teaching of reading (linked to library development).
- To monitor the impact that phonics teaching has on the acquisition of reading skills.

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FOR THE YEAR ENDED 31 AUGUST 2020

Maths:

- To ensure that the 'most able' pupils are consistently challenged to achieve as well as they can in Maths.

Behaviour and Attitudes

- To ensure Fitzwaryn's Behaviour Offer is communicated effectively to all relevant stakeholders and the impact measured.
- To develop a procedure of effective supervision for staff to access following incidents (linked to staff well-being).
- Ensure times outside of the classroom are purposeful and well-structured to ensure all pupils are well supported.
- Focus on Attitude to Learning, in particular KS 3&4 in Core Pathway.

Personal Development

- To further promote Healthy Eating to pupils and families and ensure the right messages are delivered within the curriculum.
- To develop mental health guidelines for staff, pupils and their families.
- To revise the PHSE curriculum in line with statutory guidance for implementation in September 2020.

Leadership and Management

- To finely tune individual pupil progress plans for the small minority of pupils not achieving their targets.
- To ensure that additional adults consistently promote learning. *Ofsted Priority*
- To develop an annual CPD training calendar and log evidencing impact of training.
- Safeguarding – To develop a protocol for the recording of the closure of actions.
- To develop Staff Well-Being (PAT) guidance and practice, promoting a healthy work life balance.
- EYFS – For further training to be available for relevant staff on the EYFS framework.
- Sixth Form - To continue to develop relevant information regarding transition at Year 14 (linked to careers hub).
- Investigate the possibility of having a satellite provision within the Abingdon area.
- Further develop links with LCSS to support Early Help referrals.
- Ensure all teachers are adept at writing quality EHCPs.
- Train new Core Pathway Lead.

Progress against the SDP objectives was well underway until March 2020. Some of the objectives have been transferred to the SDP 2020 – 2021

Kingfisher

Kingfisher School continues to develop teaching and learning by offering a diverse curriculum that is driven by the individual needs of the pupils within each class, taking into account their individual needs as well as the class as a whole. The following are the key principles:

- Pupils are placed in classes that reflect their learning needs, learning styles as well as their cognitive ability. Therefore, the classes are not restricted to a narrow age range.
- The pupils are taught by stage rather than age.
- Each class will have a different pace to the day, again dependent on the needs of the pupils.
- However, pupils who are exceeding expectations will be further developed, either in the class they are in or will be moved classes appropriately.
- Pupils are taught across their cluster for some aspects of the curriculum.
- Some pupils are taught across clusters for some aspects of their learning.

Teaching and Learning Ofsted Jan 2019

- Leaders and governors have addressed the areas identified for improvement at the previous inspection successfully.
- All teachers now use the school's system for planning and tracking. Leaders and staff use this system effectively. It supports their much-improved understanding of the progress of current pupils.

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- Staff are beginning to share best practice regularly. In addition, a highly developed focus on the needs of individual pupils, within the curriculum, allows all to access a wide range of learning experiences, including practical and musical activities.
- Teaching is typically effective.

Kingfisher School is continuing to further develop Teaching and Learning through the School Development Priorities. These fall under the headings of Quality of Education as well as Personal Development in the SDP.

Quality of Education from School Development Priorities.

- Teaching Assistants are trained and deployed in order to maximise the quality of education for each pupil, irrespective of the Pathway or Cluster.
- Curriculum development will take into account individual pupil needs and the pathways in which they are in to ensure that every pupil is fully challenged.
- Assessment tools used will be bespoke to each pathway to ensure progress is made. Review and fully implement Kingfisher Curriculum to include Age Related Expectations (ARE) up to KS2 NC in all areas.

Personal Development from School Development Priorities

- Pupils are encouraged and supported to be as independent as possible in order to develop their confidence and Personal Development Skills.
- The following are embedded into the curriculum in order to develop pupils' confidence, resilience and knowledge so that they can keep themselves mentally healthy.
 - British values
 - Spiritual, moral, social and cultural development
 - Relationships and sex education
 - Health education, including safety
 - Mental health awareness and support
- Careers development ensure post Kingfisher options are effectively supported.
- Investigate opportunities for working more collaboratively with mainstream providers in the area.
- Investigate opportunities for working more collaboratively with mainstream providers in the area to support social development.

Behaviour and Safety

- Behaviour strategies remain diverse and are robustly monitored to meet the needs of all SEND pupils. Initiatives include Team Teach, relaxing strategies, strategically using educational activities and facilities to keep children focused.
- Both schools perform above the national average for attendance and proactively monitor persistent absence to ensure early safeguarding signs are well managed.
- The outcome of the LA review of safeguarding maintained an outstanding grade across the whole school.
- There continues to be Team Teach trainers within the Academy.
- There is a hoist trainer within the Academy.

Effectiveness of the Sixth Form

- Sixth forms provide a diverse offering including following the National Open College Network Pathways to adulthood programme as well as the Duke of Edinburgh Award scheme.
- Both schools have active involvement in the community including where appropriate work experience placements.
- 100% of pupils transition to college and work.

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DIRECTORS' REPORT (CONTINUED)
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The particular achievements and performance of the Academy were as follows:

- Successfully managing Covid to ensure the safety and staff of all pupils
- Progress against Ofsted priorities for both schools
- Accreditation as above
- Building and facilities developments

STRATEGIC REPORT

The schools within the Academy Trust have continued to work on the priorities set out in September 2019 approved by their respective Governing Bodies.

Notable achievements this year were:-

- The schools continued their internal growth strategy with a 15% uplift on pupil on roll working collaboratively with the local authority to support the countywide strategy with a new project underway for consideration of a further expansion in 21/22.
- Pupil attendance remains better than the national average for special schools in the country.
- Academic achievements and transition destinations.

Key Performance Indicators

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2020, the balance of the GAG Restricted Fund was £699,831 and Unrestricted Fund was £339,863 .

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 212.

The ratio of GAG funding per pupil was £9,783 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 78%.

FINANCIAL REVIEW

Financial Review

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset Fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2020, the total expenditure of £5,039,696 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of total expenditure over incoming resources for the period was £625,356 (before actuarial losses on defined benefit pension schemes). The net book value of fixed assets at 31 August 2020 was £13,636,044, after depreciation charges for the period of £327,678.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

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The balance of total funds held at 31 August 2020 was £11,009,087 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£669,831
Restricted Pension Liability Fund	(£3,642,000)
Restricted Fixed Asset Fund	£13,641,593
Unrestricted Funds	£339,663

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

Financial and Risk Management Objectives and Policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Directors and include the financial risks to the Academy. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually. However in this year reviews took place as a result of Brexit and Covid-19.

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Directors have ensured the Academy has adequate insurance cover.

Whilst the Academy is currently over-subscribed, risks to revenue funding from a falling roll are small. However, the national picture for special educational needs and the increasing employment and premises costs mean that budgets will be under significant pressure in coming years and would benefit from review at national level.

The Directors examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Directors meetings and monthly to the Chair of the Trust as per the Academies Financial Handbook.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors where there would be a significant effect on the Academy's liquidity.

The Directors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Directors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. In the Trust's future planning consideration has been given to both increase in employee and employer contributions.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial

The Academy has considerable reliance on continued Government funding through the ESFA. In the period, approximately 99% of the Academy's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls and compliance with regulations, legislation and statutory returns etc. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks. Given the number of new Directors, current Directors maintain a good focus to training and support and this aspect will be enhanced in the coming year.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Directors continue to ensure that the highest standards are maintained in the areas of: selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its previous external auditors to perform a programme of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Covid-19

Further UK and regional developments in relation to Covid-19 should not be underestimated with ongoing monitoring and consideration of any future impact on the Health of Children, Staff and families. Staff Wellbeing remains a high focus and the personal care provided to vulnerable children remains a high risk environment for staff.

Reserves Policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The current level of Reserves is £1,039,494. Appropriate steps will be taken to decrease the free cash reserves. The steps include reviewing IT infrastructure, minibus fleet and capital fabric buildings assessment will result in operational implementation in 2020/21.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trust anticipates the current cost of Covid-19 for IT remote working and increased cleaning and PPE for special schools to have cost the school £15,000 in the period ending 31/8/2020. The cost and volume of PPE equipment is anticipated at £40,000 in the next financial year in order to keep the school open and safe.

Investment Policy

All funds surplus to immediate requirements will be invested to optimal effect by the Academy. Where cash flow allows, sums in excess of £85,0000 may be invested on deposit for extended periods with the Academy's principal bankers or other reputable financial institutions.

Fundraising

Fundraising has been significantly hampered this year with Covid-19, with Trusts withdrawing community support both locally and nationally. We have received requests from companies such as the Variety Club to make donations to help them, when previously they have helped many schools nationally.

The Trust has seen a significant loss in lettings from swimming pool hire in this academic year of £21k (just over 50%) and income for the following year has been rewritten to anticipate a reduced start, however this remains a risk for 2020/21.

PLANS FOR FUTURE PERIODS

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- Identify and progress opportunities for partnering with other Trusts and Academies to build strength and leverage best practice
- Undertake a review of key performance indicators/metrics
- Develop relationship with recently appointed Regional Schools Commissioner and engage with national and regional fora to generate insight and alignment on MAT and SEND developments
- Continue program of enhancements to governance and development of comprehensive three-year strategic plan
- Extend the Kingfisher site in conjunction with OCC

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Directors do not act as Custodian Trustees of any other charity.

AUDITOR

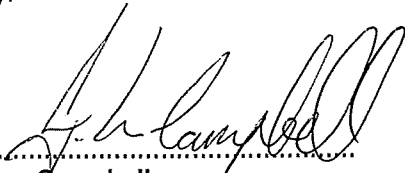
In so far as the Directors are aware:

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18th November 2020 and signed on its behalf by:


.....
Gay Campbell
(Chair of Trustees)


.....
Stephanie Coneboy
(Accounting Officer)

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Fitzwaryn and Kingfisher Academies have 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 Directors 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors, including all Committees, any material weaknesses or breakdowns in internal control.

Governance reviews

During the year the Academy Trust has carried out a review of its governance arrangements and procedures following the reconstitution in 2018.

Following the positive engagement with the DFE the Trust has continued to leverage the relationship with the Academy Ambassadors to build additional breadth and strength in the Board and governance structure, including support in identifying potential additional Members to support effective succession planning.

The Chairs of the local FGB's have also been working with the Chief Operations Officer to ensure consistency as a Trust through effective communication. Both Chairs champion CPD and best practice.

The Trust has established a communications protocol which was enhanced in the year by Chairs of FGBs sitting as observers to the main Board meeting.

Governance

The information on governance included here supplements that information that is described in the Directors' Report and in the Directors' Responsibilities Statement. The Directors have formally met 6 times during the period ended 31 August 2020 and Governors a minimum of 6 times also.

The Finance Committee is integrated into the Governing Bodies as well as Board level. Its purpose is to provide guidance and assistance to the stakeholders on all matters related to finance, resources, premises and Health & Safety of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. All Chairs receive monthly accounts in line with the Academies financial handbook.

Attendance during the period at meetings of the Governing Body was as follows:

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Directors Meeting Attendance September 2019 – August 2020

Name	Meetings attended	Of a possible
Gay Campbell	5	6
Barbara Harker (resigned 06.01.20)	3	3
Davina Mackay (joined 16.5.19)	5	6
Tim Hodgson (joined 4.7.19)	6	6
Paula Bolton (resigned 11.11.19)	1	1
Dylan Thomas (joined 04.06.20) During this Period DT also observed meetings before joining	1	1
Rebecca Scales (joined 06.02.20) During this Period RS also observed meetings before joining	4	4
Kristina Crabbe (joined 29.02.20) During this Period KC also observed meetings before joining	4	4
John Chadwick (joined 01.07.20)	1	1
David Kadarauch (joined 06.07.20)	1	1
Sarah Mitchell (joined 23.07.20)	0	0

Governors Attendance at Fitzwaryn September 2019 – August 2020

Name	Meetings attended	Of a possible
Julie Maberley	6	6
Jeanne Lapsley	4	6
Marion Evans	6	6
Stephanie Coneboy	5	6
Elisabeth Green	6	6
Mary Hallam (Resigned 31.08.20)	4	6
Rachel Wenham	5	6
Jane Pierce	4	6
Jane Edwards	6	6
Tamara Harris (Resigned 20.11.19)	1	2
Barry Reynolds	6	6
Alan Bennett (Joined 21.11.19)	5	5
Andrew Smith (Joined 07.05.20)	4	4
Matthew Heyworth (Joined 09.09.20)		

Governors Attendance at Kingfisher September 2019 – August 2020

Please note the April / May FGB were combined due to covid

Name	Meetings attended	Of a possible
Fernando Nodal	5	5
Andrew Clarke	3	5
Lorraine Wilson	4	5
Cynthia Bartlett	3	5
Matthew Hill	2	5
Charlotte Lee	4	5
Eleanor Jackson	2	3
Liza Eccles	3	5

THE PROPELLER ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

(continued)

Sam Shepherd	3	3
Melanie Cohen Smith (Resigned 0 3/2/2020)		3
Chitra Shintre (Resigned 19/6/2020)	0	5
Maria Serdyuk (Resigned 18/06/2020)		5

Review of value for money

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

The Accounting Officer considers how the trust use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

The Trust collectively participates in a regional procurement forum to ensure maximum power purchasing is achieved through collaboration and to ensure time spent on this process is minimised, the audit contract is an example of this process and the subsequent savings. This also provides benchmarking opportunities for service and value for money in other areas. This year saw the completion of two competitive tenders for cleaning and occupational health to ensure enhanced services and efficiencies.

The Head Teachers and COO regularly review staffing structure and deployment, to ensure utility is based on the academic, social and emotional needs of the child. This results in in-year operational redeployments to ensure resources are used effectively as this is the biggest expenditure to the academy.

The Head Teachers continue to see ways of promoting the services of the school, with the development and extension of the afterschool clubs and services, in the non-traditional school hours. The Fitzwaryn offering has now had its service extended in to a second year and the Barnardos service at Kingfisher runs for holidays and afterschool.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Propeller Academy Trust for the period ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period from incorporation to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Academy'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

THE PROPELLER ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

accountability.

In particular, it includes:

- comprehensive budgeting and monitoring systems are in place including a 3 year forecast. Annual budget and periodic financial reports which are reviewed and agreed by the Directors at every meeting and the Chair of the Trust monthly;
- regular reviews by the local Governing Bodies which indicate financial performance against the forecasts are presented monthly to Local Chairs and Head Teachers to take timely action. Local Governing Bodies also review major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks through the GRC system;
- a representative from The Local Governing Body and a Head Teacher within the Trust are members of the regional High Needs funding forum to ensure potential changes in funding and impact roll are at the forefront of our thinking.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed James Cowper Kreston for these undertakings.

The internal audit role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors', including all Committees', financial responsibilities.

The Academy can confirm JCK completed their schedule as planned. All minor observations were reviewed and actioned accordingly. The Trust recognises the requirements to segregate this service from the auditors in 2021 and will ensure compliance during the accounting period.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2020 the review has been informed by:

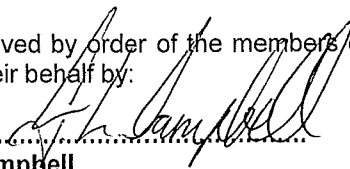
- the work of the internal audit function
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- The work of the data protection office
- The work of the Health and Safety auditor

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 18th November 2017 and signed on their behalf by:


.....
G Campbell
Chair of Trustees


.....
S Conboy
Accounting Officer

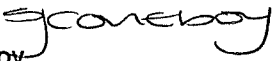
THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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


S Coneboy
Accounting Officer
Date: 27.11.2020

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

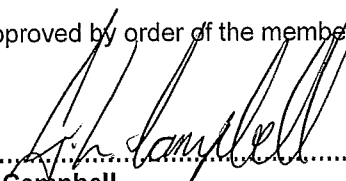
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

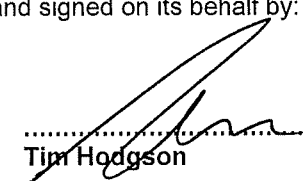
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:


.....
G Campbell
Chair


.....
Tim Hodgson

Date: 18/11/2020

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PROPELLER ACADEMY TRUST**

Opinion

We have audited the financial statements of The Propeller Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PROPELLER ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PROPELLER ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

THE PROPELLER ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PROPELLER ACADEMY TRUST (CONTINUED)

Use of our report

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



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reporting Accountant

2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date: 4/12/2020

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
PROPELLER ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Propeller Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Propeller Academy Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Propeller Academy Trust and ESFA, 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 31 January 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. reviewing of minutes of meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
2. a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
3. testing a sample of payroll payments to staff;
4. testing a sample of payments to suppliers and other third parties;
5. testing a sample of grants received and other income streams;
6. evaluating the internal control procedures and reporting lines, and testing as appropriate; and
7. making appropriate enquiries of the Accounting Officer.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
PROPELLER ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston

Reporting Accountant

2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date:

4/12/2020

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	8,216	-	14,467	22,683	143,159
Charitable activities:						
Funding for the academy trust's educational operations		-	4,345,214	-	4,345,214	3,922,343
Other income for educational operations		17,336	-	-	17,336	24,547
Other trading activities		28,533	-	-	28,533	47,173
Investments	6	574	-	-	574	627
Total income		<u>54,659</u>	<u>4,345,214</u>	<u>14,467</u>	<u>4,414,340</u>	<u>4,137,849</u>
Expenditure on:						
Raising funds		2,500	-	-	2,500	2,500
Charitable activities:						
Academy trust educational operations		-	4,709,518	327,678	5,037,196	4,654,692
Total expenditure		<u>2,500</u>	<u>4,709,518</u>	<u>327,678</u>	<u>5,039,696</u>	<u>4,657,192</u>
Net movement in funds before other recognised gains/(losses)		<u>52,159</u>	<u>(364,304)</u>	<u>(313,211)</u>	<u>(625,356)</u>	<u>(519,343)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	179,000	-	179,000	(936,000)
Net movement in funds		<u>52,159</u>	<u>(185,304)</u>	<u>(313,211)</u>	<u>(446,356)</u>	<u>(1,455,343)</u>
Reconciliation of funds:						
Total funds brought forward		287,504	(2,786,865)	13,954,804	11,455,443	12,910,786
Net movement in funds		52,159	(185,304)	(313,211)	(446,356)	(1,455,343)
Total funds carried forward		<u>339,663</u>	<u>(2,972,169)</u>	<u>13,641,593</u>	<u>11,009,087</u>	<u>11,455,443</u>

**THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 34 to 57 form part of these financial statements.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08340120

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	13,636,044	13,940,898
		<u>13,636,044</u>	<u>13,940,898</u>
Current assets			
Debtors	15	45,607	46,679
Cash at bank and in hand		1,219,326	1,123,440
		<u>1,264,933</u>	<u>1,170,119</u>
Creditors: amounts falling due within one year	16	(249,890)	(249,574)
		<u>1,015,043</u>	<u>920,545</u>
Net current assets		<u>1,015,043</u>	<u>920,545</u>
Total assets less current liabilities		<u>14,651,087</u>	<u>14,861,443</u>
Defined benefit pension scheme liability	23	(3,642,000)	(3,406,000)
Total net assets		<u><u>11,009,087</u></u>	<u><u>11,455,443</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	13,641,593	13,954,804
Restricted income funds	17	669,831	619,135
		<u>14,311,424</u>	<u>14,573,939</u>
Restricted funds excluding pension reserve	17	14,311,424	14,573,939
Pension reserve	17	(3,642,000)	(3,406,000)
		<u>10,669,424</u>	<u>11,167,939</u>
Total restricted funds	17	<u>10,669,424</u>	<u>11,167,939</u>
Unrestricted income funds	17	339,663	287,504
		<u>11,009,087</u>	<u>11,455,443</u>
Total funds		<u><u>11,009,087</u></u>	<u><u>11,455,443</u></u>

The financial statements on pages 30 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Gay Campbell
 Trustees

Date: 18/11/2020

.....
Tim Hodgson

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	103,669	85,272
Cash flows from investing activities			
	20	(7,783)	(110,688)
Change in cash and cash equivalents in the year		95,886	(25,416)
Cash and cash equivalents at the beginning of the year		1,123,440	1,148,856
Cash and cash equivalents at the end of the year	21, 22	<u><u>1,219,326</u></u>	<u><u>1,123,440</u></u>

The notes on pages 34 to 57 form part of these financial statements

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold land	-	Over the term of the lease
Leasehold buildings	-	2% per annum from conversion
Fixtures, fittings and equipment	-	20% per annum
ICT equipment	-	33% per annum
Motor vehicles	-	20% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased Assets

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 23).

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	14,467	14,467	57,325
	-	14,467	14,467	57,325

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants (continued)

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other donations	8,216	-	8,216	46,564
Capital grants	-	-	-	39,270
Subtotal	8,216	-	8,216	85,834
Total 2020	8,216	14,467	22,683	143,159
<i>Total 2019</i>	<i>46,564</i>	<i>96,595</i>	<i>143,159</i>	

4. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,961,330	1,961,330	1,981,142
Pupil premium	-	99,136	99,136	37,593
Other DfE Group grants	-	48,198	48,198	48,430
Local authority revenue funding	723	2,236,550	2,237,273	1,855,078
Catering income	13,824	-	13,824	20,658
Other income	2,789	-	2,789	3,989
Total 2020	17,336	4,345,214	4,362,550	3,946,890
<i>Total 2019</i>	<i>24,647</i>	<i>3,922,243</i>	<i>3,946,890</i>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestrict ed funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities/other lettings	25,004	25,004	37,469
School clubs and other income	2,381	2,381	1,835
Staff consultancy income	1,148	1,148	7,869
Total 2020	28,533	28,533	47,173
<i>Total 2019</i>	<i>47,173</i>	<i>47,173</i>	

6. Investment income

	Unrestrict ed funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	574	574	627
<i>Total 2019</i>	<i>627</i>	<i>627</i>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising funds:					
Direct costs (raising funds)	-	-	2,500	2,500	2,500
Academy's educational operations:					
Direct costs	3,225,049	-	176,393	3,401,442	3,172,065
Allocated support costs	351,445	326,408	957,901	1,635,754	1,482,627
	<u>3,576,494</u>	<u>326,408</u>	<u>1,136,794</u>	<u>5,039,696</u>	<u>4,657,192</u>
<i>Total 2019</i>	<u>3,634,921</u>	<u>300,255</u>	<u>722,016</u>	<u>4,657,192</u>	

The expenditure on raising funds was £2,500 (2019: £2,500) of which £2,500 was unrestricted (2019: £2,500).

The expenditure on academy's educational operations was £5,003,085 (2019: £4,654,692) of which £Nil was unrestricted (2019: £53,065), £4,709,518 restricted (2019: £4,287,533) and £293,567 restricted fixed assets (2019: £314,094).

8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Academy's educational operations	<u>3,401,442</u>	<u>1,635,754</u>	<u>5,037,196</u>	<u>4,654,692</u>
<i>Total 2019</i>	<u>3,172,065</u>	<u>1,482,627</u>	<u>4,654,692</u>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	3,225,049	3,225,049	3,029,504
Educational supplies	64,412	64,412	67,667
Examination fees	2,513	2,513	2,654
Professional services - educational	25,667	25,667	24,842
IT equipment & consumables	71,171	71,171	27,989
Administration fees	157	157	239
Transportation costs	12,473	12,473	19,170
	<u>3,401,442</u>	<u>3,401,442</u>	<u>3,172,065</u>
<i>Total 2019</i>	<u>3,172,065</u>	<u>3,172,065</u>	

Analysis of support costs

	Academy's educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	68,000	68,000	61,000
Staff costs	695,945	695,945	602,917
Depreciation and amortisation	327,678	327,678	314,094
Technology costs	53,465	53,465	53,421
Premises costs	338,079	338,079	302,713
Other support costs	138,772	138,772	132,615
Governance costs	13,815	13,815	15,867
Total 2020	<u>1,635,754</u>	<u>1,635,754</u>	<u>1,482,627</u>
<i>Total 2019</i>	<u>1,482,627</u>	<u>1,482,627</u>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Net income/(expenditure) for the period includes:

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	2,104	2,268
Depreciation of tangible fixed assets	327,678	311,977
Amortisation of intangible assets	-	2,115
Fees paid to auditors for:		
- audit	10,191	8,442
- other services	2,731	3,140
	10,922	14,965

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,802,423	2,646,382
Social security costs	213,676	206,192
Pension costs	905,754	776,543
	3,921,853	3,629,117
Agency supply staff costs	1,641	5,804
	3,923,494	3,634,921

The trust uses agency staff where appropriate on normal commercial terms.

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	24	24
Administration and support	66	84
Management	7	6
	<u>97</u>	<u>114</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £688,746 (2019 £600,240).

11. Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Leasehold Building £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	15,088,607	359,945	115,347	39,270	15,603,169
Additions	11,409	4,102	7,313	-	22,824
At 31 August 2020	<u>15,100,016</u>	<u>364,047</u>	<u>122,660</u>	<u>39,270</u>	<u>15,625,993</u>
Depreciation					
At 1 September 2019	1,296,348	260,668	97,401	7,854	1,662,271
Charge for the year	255,951	46,043	17,830	7,854	327,678
At 31 August 2020	<u>1,552,299</u>	<u>306,711</u>	<u>115,231</u>	<u>15,708</u>	<u>1,989,949</u>
Net book value					
At 31 August 2020	<u><u>13,547,717</u></u>	<u><u>57,336</u></u>	<u><u>7,429</u></u>	<u><u>23,562</u></u>	<u><u>13,636,044</u></u>
At 31 August 2019	<u><u>13,792,259</u></u>	<u><u>99,277</u></u>	<u><u>17,946</u></u>	<u><u>31,416</u></u>	<u><u>13,940,898</u></u>

15. Debtors

	2020 £	2019 £
Trade debtors	8,847	921
VAT recoverable	22,101	45,758
Prepayments and accrued income	14,659	-
	<u><u>45,607</u></u>	<u><u>46,679</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	67,332	99,395
Other taxation and social security	49,205	44,556
Other creditors	73,895	55,006
Accruals and deferred income	59,458	50,617
	249,890	249,574
	249,890	249,574
	2020	2019
	£	£
Deferred income		
Deferred income at 1 September	38,635	26,376
Resources deferred during the year	20,661	38,635
Amounts released from previous periods	(38,635)	(26,376)
	20,661	38,635
Deferred income at 31 August	20,661	38,635

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	287,504	54,659	(2,500)	-	-	339,663
Restricted general funds						
General Annual Grant (GAG)	619,135	1,961,330	(1,910,634)	-	-	669,831
Pupil Premium funding	-	99,136	(99,136)	-	-	-
Other DfE funding	-	48,198	(48,198)	-	-	-
Local authority revenue funding	-	2,236,550	(2,236,550)	-	-	-
Pension reserve	(3,406,000)	-	(415,000)	-	179,000	(3,642,000)
	<u>(2,786,865)</u>	<u>4,345,214</u>	<u>(4,709,518)</u>	<u>-</u>	<u>179,000</u>	<u>(2,972,169)</u>
Restricted fixed asset funds						
ESFA DfE and LA capital funding	-	14,467	-	(14,467)	-	-
Fixed asset fund	13,954,804	-	(327,678)	14,467	-	13,641,593
	<u>13,954,804</u>	<u>14,467</u>	<u>(327,678)</u>	<u>-</u>	<u>-</u>	<u>13,641,593</u>
Total Restricted funds	<u>11,167,939</u>	<u>4,359,681</u>	<u>(5,037,196)</u>	<u>-</u>	<u>179,000</u>	<u>10,669,424</u>
Total funds	<u><u>11,455,443</u></u>	<u><u>4,414,340</u></u>	<u><u>(5,039,696)</u></u>	<u><u>-</u></u>	<u><u>179,000</u></u>	<u><u>11,009,087</u></u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

The General Annual Grant (GAG) represents the core funding for the educational activities of the schools that has been provided to the academy trust via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy trust.

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17. Statement of funds (continued)

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Restricted fixed assets are funds representing the amounts invested in fixed assets. The transfer to the fixed asset fund represents the amounts for additions funded from General Annual Grant.

The designated fund comprises amounts set aside by the trustees to cover future maintenance works to the schools as identified by a Strategic Condition Survey.

All general funds are held for the purposes of education in line with the academy trust's objectives.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Fitzwaryn School	539,339	492,536
Kingfisher School	470,155	414,103
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,009,494	906,639
Restricted fixed asset fund	13,641,593	13,954,804
Pension reserve	(3,642,000)	(3,406,000)
	<hr/>	<hr/>
Total	11,009,087	11,455,443

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Fitzwaryn School	1,586,645	161,988	76,397	271,996	2,097,026	2,069,784
Kingfisher School	1,638,404	186,958	99,995	274,635	2,199,992	1,827,898
Other finance costs and pension costs	278,000	-	-	137,000	415,000	445,416
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	3,503,049	348,946	176,392	683,631	4,712,018	4,343,098

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Designated funds	60,000	-	-	(60,000)	-	-
Unrestricted funds	164,058	119,011	(55,565)	60,000	-	287,504
	<u>224,058</u>	<u>119,011</u>	<u>(55,565)</u>	<u>-</u>	<u>-</u>	<u>287,504</u>
Restricted general funds						
General Annual Grant (GAG)	304,771	1,978,363	(1,932,727)	268,728	-	619,135
Funds from predecessor schools	324,695	-	-	(324,695)	-	-
Pupil Premium funding	7,926	37,593	(45,519)	-	-	-
Other DfE funding	-	48,430	(48,430)	-	-	-
Local authority revenue funding	-	1,857,857	(1,857,857)	-	-	-
Pension reserve	(2,067,000)	-	(403,000)	-	(936,000)	(3,406,000)
	<u>(1,429,608)</u>	<u>3,922,243</u>	<u>(4,287,533)</u>	<u>(55,967)</u>	<u>(936,000)</u>	<u>(2,786,865)</u>
Restricted fixed asset funds						
ESFA DfE and LA capital funding	310	57,325	-	(57,635)	-	-
Local authority capital funding	29,676	-	-	(29,676)	-	-
Fixed asset fund	14,086,350	-	(314,094)	182,548	-	13,954,804
Capital donations	-	39,270	-	(39,270)	-	-
	<u>14,116,336</u>	<u>96,595</u>	<u>(314,094)</u>	<u>55,967</u>	<u>-</u>	<u>13,954,804</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Total funds	<u>12,910,786</u>	<u>4,137,849</u>	<u>(4,657,192)</u>	<u>-</u>	<u>(936,000)</u>	<u>11,455,443</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	13,636,044	13,636,044
Current assets	339,663	919,721	5,549	1,264,933
Creditors due within one year	-	(249,890)	-	(249,890)
Provisions for liabilities and charges	-	(3,642,000)	-	(3,642,000)
Total	<u>339,663</u>	<u>(2,972,169)</u>	<u>13,641,593</u>	<u>11,009,087</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	13,940,898	13,940,898
Current assets	287,504	868,709	13,906	1,170,119
Creditors due within one year	-	(249,574)	-	(249,574)
Provisions for liabilities and charges	-	(3,406,000)	-	(3,406,000)
Total	<u>287,504</u>	<u>(2,786,865)</u>	<u>13,954,804</u>	<u>11,455,443</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(625,356)	(519,343)
Adjustments for:		
Amortisation	-	2,115
Depreciation	327,678	311,977
Capital grants from DfE and other capital income	(14,467)	(57,325)
Interest receivable	(574)	(627)
Defined benefit pension scheme cost less contributions payable	347,000	342,000
Defined benefit pension scheme finance cost	68,000	61,000
Decrease in debtors	1,072	68,207
Increase/(decrease) in creditors	316	(122,732)
Net cash provided by operating activities	103,669	85,272

20. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	574	627
Purchase of tangible fixed assets	(22,824)	(168,640)
Capital grants from DfE Group	14,467	57,325
Net cash used in investing activities	(7,783)	(110,688)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,219,326	1,123,440
Total cash and cash equivalents	1,219,326	1,123,440

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,123,440	95,886	1,219,326
	1,123,440	95,886	1,219,326

23. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £66,135 were payable to the schemes at 31 August 2020 (2019 - £48,175) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £297,125 (2019 - £194,969).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £343,000 (2019 - £317,000), of which employer's contributions totalled £263,000 (2019 - £241,000) and employees' contributions totalled £80,000 (2019 - £76,000). The agreed contribution rates for future years are 15.1 per cent for employers and 5.5 and 12.5 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.20	3.80
Rate of increase for pensions in payment/inflation	2.20	2.40
Discount rate for scheme liabilities	1.70	1.90
Commutation of pensions to lump sums	50.00	50.00

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.2	22.7
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	22.9	24.0
Females	25.6	25.7

Sensitivity analysis

	2020	2019
	£000	£000
CPI rate +0.5%	887	755
Real Discount Rate -0.5%	960	898
Salary Increase Rate +0.5%	59	124

Share of scheme assets

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

	2020	2019
	£	£
Equities	2,625,000	2,381,190
Other bonds	750,000	724,710
Property	225,000	207,060
Cash and other liquid assets	150,000	138,040
Total market value of assets	3,750,000	3,451,000

The actual return on scheme assets was £143,000 (2019 - £181,000).

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	610,000	466,000
Past service cost	-	(117,000)
Interest income	(69,000)	(87,000)
Interest cost	137,000	148,000
Total amount recognised in the Statement of Financial Activities	678,000	410,000

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

	2020 £	2019 £
At 1 September	6,857,000	5,044,000
Cash value of employer contributions	263,000	-
Current service cost	347,000	466,000
Interest cost	137,000	148,000
Employee contributions	80,000	76,000
Actuarial (gains)/losses	(253,000)	1,030,000
Benefits paid	(39,000)	(24,000)
Past service costs	-	117,000
At 31 August	7,392,000	6,857,000

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

	2020 £	2019 £
At 1 September	3,451,000	2,977,000
Interest income	69,000	87,000
Actuarial (losses)/gains	(74,000)	94,000
Employer contributions	263,000	241,000
Employee contributions	80,000	76,000
Benefits paid	(39,000)	(24,000)
At 31 August	3,750,000	3,451,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts due within one year	2,104	1,890
Amounts due between one and five years	3,864	-
	<u>5,968</u>	<u>1,890</u>

25. Contingent liabilities

There are no contingent liabilities that require disclosure.

26. 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.

27. Related party transactions

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