

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014



THE PROPELLER ACADEMY TRUST

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 19
Governance statement	20 - 25
Statement on regularity, propriety and compliance	26
Trustees' responsibilities statement	27
Independent auditors' report	28 - 29
Independent reporting accountant's assurance report on regularity	30 - 31
Statement of financial activities	32
Balance sheet	33
Cash flow statement	34
Notes to the financial statements	35 - 57

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Mrs Teresa Kelly
Dr Niall Barr
Mrs Karyn Buck
Mrs Pat Hudson

Resigned October 2013

Trustees (Governors)

		Resigned
Dr Niall Barr	Chair Fitzwaryn FGB	Oct-13
Pat Hudson	Chair Fitzwaryn FGB	
Mrs Stephanie Coneboy	Headteacher Fitzwaryn & Accounting Officer	
Miss Teresa Kelly	College Principal	
Mrs Davina Mackay	Parent Trustee	Jul-14
Mrs Adrienne Martin	Headteacher Kingfisher	
Mrs Sharon Parr	Parent Trustee	Jun-14
Mr Julian Rideout		
Mr Terry Stock		
Mr Barry Taylor	Chair Kingfisher FGB	
Mr Sam Jackson		

**Members of the
Propeller Academy
Trust Finance & Audit
Committees**

Mr Terry Stock	Chair
Mr Barry Taylor	
Mrs Stephanie Coneboy	
Mrs Adrienne Martin	
Mrs Pat Hudson	
Mr Julian Rideout	
Mrs Catherine Barnes	Associate Member

**Fitzwaryn Local
Governing Body
Finance Committee**

Mr Julian Rideout	Chair
Mr Tom Arnold	
Mrs Stephanie Coneboy	
Mrs Pat Hudson	
Mrs Jeanne Lapsley	

**Kingfisher Local
Governing Body
Finance Committee**

Mr Terry Stock	Chair
Mr Barry Taylor	
Mrs Katharine Boyce	
Mrs Adrienne Martin	
Mrs Catherine Barnes	Associate Member

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014**

Company registered number

08340120 (England & Wales)

Principal office

Fitzwaryn School, Denchworth Road, Wantage, Oxfordshire, OX12 9ET

Registered office

Abingdon & Witney College, Wootton Road, Abingdon, Oxfordshire, OX14 1GG

Senior management team

Fitzwaryn

Mrs Stephanie Coneboy	(Headteacher)
Mrs Jane Edwards	(Deputy Headteacher)
Mr Chris Slatter	(Assistant Headteacher)
Mrs Yvette Faye	(Senior Leader TLR)
Mrs Catherine Barnes	(Business Development Manager)

Kingfisher

Mrs Adrienne Martin	(Headteacher)
Mrs Alison Norris	(Deputy Headteacher)
Mrs Niiki Farmer	(6th Form Phase Leader)
Mrs Kate Downes	(EYFS Phase Leader)
Mrs Helen Tristram	(Lower School Phase Leader)
Mrs Catherine Barnes	(Business Development Manager)
Mrs Clare Johnston	(HLTA)

Independent auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds TSB Bank plc, Ock Street, Abingdon, Oxon

Solicitors

Blake Morgan, Seacourt Tower, West Way, Oxford, OX2 0FB

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two academies for pupils aged 2 to 19 predominantly serving a catchment area which covers south and west Oxfordshire. **Fitzwaryn School** has a pupil capacity of 80 in the age range 3 - 19 (supplemental funding agreement) and had a roll of 83 in the school census on 2 October 2014. **Kingfisher School** had capacity of 76 in the age range 2 - 19 (supplemental Funding Agreement) and a roll of 81 in the school census on 2 October 2014.

Structure, governance and management

CONSTITUTION

The Propeller Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

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

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

Name	Appointed	Resigned
Dr Niall Barr	21/12/12	Oct 2013
Mrs Stephanie Coneboy	21/12/12	
Miss Teresa Kelly	21/12/12	
Mrs Davina Mackay	14/01/13	Jul 2014
Mrs Adrienne Martin	21/12/13	
Mrs Sharon Parr	14/01/13	Jun 2014
Mr Julian Rideout	14/01/13	
Mr Terry Stock	14/01/13	
Mr Barry Taylor	21/12/13	
Mrs Pat Hudson	22/10/13	
Mr Sam Jackson	08/07/14	
Miss Teresa Kelly	Member	
Dr Niall Barr	Member	Oct 2013
Mrs Karyn Buck	Member	
Mrs Pat Hudson	Member	

MEMBERS' LIABILITY

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' INDEMNITIES

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £2435.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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

The Members of the Company shall comprise:

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

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

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

The Company shall have the following Trustees:

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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

As the Propeller Academy Trust continues to develop and mature, the need to recruit further Trustees with specific expertise has become a focus. A new Trustee with expertise in Health & Safety was recruited in July 2014. He also has previous experience of serving as a finance governor and with no prior connection to the Propeller Academy Trust, is able to bring impartiality to debate and decision making.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

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

The Board of Directors carried out Induction training with its legal support Blake Morgan in October 2013 to assist compliance with best practice regulations and to induct and refresh Academy Directors in their role strengthening awareness of their responsibilities in order to make a full contribution to the Academy.

ORGANISATIONAL STRUCTURE

The structure consists of four levels: the Board of Directors, Local Governing Bodies, Senior Leadership Team and members of staff acting as Budget Holders.

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

All statutory policies and procedures are reviewed and approved by the Board of Directors to ensure a consistency of practice is in place across the Trust. The appropriate members of staff in both schools have worked together to produce Trust policies such as the Behaviour Policy. Working parties for reviewing policies have had representation from both schools and their communities with review of the Media Policy as an example of this good practice.

Local governing bodies remain responsible for setting local policies, developing and monitoring the School Development Plans and setting the three year budgets, however the Trust sets and approves Trust policies and procedures and approves and submits the budgets set against each School Development Plan. A single multi academy trust budget is submitted to the EFA and was submitted before the deadline in July 2014. The Propeller Academy Trust monitors the use of budgets and makes strategic decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Trustees are also responsible for approving the Finance Manual of Guidance Handbook under which both school's finances operate.

The Headteachers have delegated responsibility for their individual school's activities including financial activities and each operates as the budget holder at this time. Spending control is devolved to the Headteacher and in line with the approved financial manual, expenditure above £10,000 requires additional authorisation from the Board of Directors.

The governing bodies at local level continue to operate curriculum committees, finance committees incorporating health and safety and full governing body committee meetings and report their findings to the Propeller Academy Trust Finance Committee and / or Trustees Board. In June 2014, in order to strengthen debate and scrutiny, the Business Development Manager proposed the merging of the two finance committees into one which was approved by the Board in July 2014 and is in place as of September 2014 for a trial period of one year.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

During the period to which these accounts relate, Mrs Stephanie Coneboy has undertaken the role of Accounting Officer.

The Headteachers are responsible for the appointment of all staff with the exception of the 3 Leadership Team posts. The Scheme of Delegation states that these leadership posts (Deputy HT, Assistant HT & Business Development Manager) are made in conjunction with the Directors.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Fitzwaryn

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

Kingfisher

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

The Business Development Manager has reviewed deployment of the Office Manager and Finance Officer from both schools to create a Trust Finance Team and responsibilities are shared between the two officers although this has not been formerly defined in the staffing structure as yet. The same approach has been taken concerning Premises Management. The ICT support team in both schools work collaboratively to review ICT policies and procedure to ensure consistency across the Trust. There is a sharing of expertise which supports succession planning and security of services by ensuring that more than one member of staff is trained to support key services such as data management and the Trust website and infrastructure, thereby addressing key concerns of risk.

The support service developments have improved efficiency in terms of Best Value and quality of provision. It has also strengthened the ability for business continuity should staff be absent as knowledge and responsibilities are shared. The back room support services for the Trust continue to model the vision of collaborative working across the multi academy trust.

In terms of curriculum development, the partner member of staff in each school has worked together when appropriate to review policy and procedure to ensure consistency of approach. Further-more, senior leaders from Fitzwaryn, Kingfisher and Abingdon and Witney College participated in a joint venture to conduct visits across all three settings to carry out joint observations to monitor the quality of teaching and learning. This has been of great benefit. Significant working with partners within the Trust has created the role of a Quality Improvement Lead who will support the development of teaching and learning across all settings within the Trust. Both schools have liaised with an HR consultant to respond to the new Pay Policy and to support the Appraisal process by developing a framework of competencies for the teaching staff which will then extend to Support staff. This was in place for teachers as of January 2014 and for support staff as of July 2014.

Collaborative work has taken place to develop the Propeller Academy Trust Development Plan, working closely as partners to share good practice with a specific focus on Post 16 provision. The nominated group has reviewed how we prepare our young people for their future after school or college and how we provide for their Careers Education Information Advice and Guidance (CEIAG). The group met on Wednesday 18th June and work is ongoing.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

OBJECTS AND AIMS

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

The vision of the Trust is an overarching vision which is evolving over time. A Directors Strategy Group meeting took place in January 2014 to discuss Trust expansion to include other schools, cohesive working across schools and LGBs, additional funding opportunities and outsourcing services linked to local authority provision. In March 2014 it was decided that the two Headteachers and the College Principal would continue to meet to produce a Trust Development Plan rather than this Strategy group continue. The Propeller Academy Trust continues to encourage each school to retain its own vision to ensure the vision for the pupils in each setting are considered fully.

Fitzwaryn's vision is:

'Through learning to learn pupils will access society'

Fitzwaryn's mission is:

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

Kingfisher Vision:

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

Through its mission statement Fitzwaryn works to provide:

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Kingfisher aims to:

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

Fitzwaryn

All staff including newly appointed teachers needed to understand the Data Management and target setting process. Staff meeting time was allocated to introduce the new procedures. This also informed planning and appropriate effective learning opportunities. Individual learning was tailored to the needs of the pupils evidenced in Units of Work. To achieve this, pupil progress meetings were embedded alongside teachers' Performance Management (PM) cycle 3 x yearly. Subject Coordinators have reviewed their subjects effectively for delivery, breadth and balance and record findings with follow up identified. Procedures have been reviewed to ensure that effective outcomes are achieved.

A full review of reporting to parents procedures including the use of home/school diaries was undertaken resulting in parents being more informed of their child's progress and achievement. An effective parent forum was in the process of being established to hear and respond parent views.

Robust systems of how pupil progress was measured from one key stage to the next e.g. EYFS to KS1, KS4 – KS5 were in place by July 2014. Pupil progress was able to be measured within EYFS and KS5 followed by a further review of practice across the 6 key stages within the school. Moderation meetings with Special Schools/DH/HT were established to understand common practice.

Effective analysis was undertaken of progress for vulnerable groups and pupil premium resulting in pupils making expected progress (or above) – This was a continuation of work undertaken in 2012 – 2013, and pupil performance was frequently reviewed for all pupils including those receiving pupil premium.

The Year 7 catch up programme was embedded by reviewing strategies implemented already and further new resources required.

Nationally renowned expert – Les Staves worked with staff and pupils to ensure effective teaching and learning was taking place in Maths and this was followed with implementing the most up to date practice for pupils with SLD/MLD/PMLD.

Sports funding has been used effectively across the primary phase and has enhanced Teaching and Learning opportunities for all pupils. Best value has been secured by working in partnership with other local schools and an Action Plan for use of Sports funding was securely in place. The funding had been analysed at the end of the summer term 2014 in terms of impact on pupils.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Kingfisher

Establishing a robust Senior Leadership Team was a key priority at the start of the academic year 2013-14. A new team was in place for September 2013, including the appointment of the Business Development Manager working across the Trust as a whole. By July 2014, members of the newly created Senior Leadership Team were confident in their roles and responsibilities fulfilling their duties with a measurable impact on the quality of provision. By July 2014 an evaluation of the impact of the Curriculum Teams demonstrated a positive impact.

Alongside other Special Schools in Oxfordshire, Kingfisher developed an appropriate provision of Information, Advice and Guidance (IAG) to prepare its young people with complex needs and learning difficulties for the next stage of their lives. This continues to be an area for development rather than embedded practice.

The Maths curriculum required further review to scaffold an outstanding level of pupil achievement in Maths and considerable work has been undertaken to ensure that the curriculum is fully in place. The Maths curriculum has been reviewed and amended with the support of an external specialist consultant, Les Staves, and pupil achievement in Maths is now in line with Communication, language and literacy.

Four years of secure pupil performance data has now been collected for English and Maths. From the analysis of this data it was evident that the % of pupils and students within Key Stages 1-4 making good –outstanding progress over time was increasing. These statistics are based on the data from the National Progression Guidance.

The achievement of those pupils supported by the use of Pupil Premium matched or exceeded that of other pupils within the school.

The £2 500 total "Y7 catch up funding" received by Kingfisher in 2013/14 was used as a contribution towards the additional activities that we provided to enhance our curriculum offer and to meet the specific needs of the individual young people. These activities focused on developing their motivation, supporting their therapeutic needs, enhancing their readiness for and engagement in their learning and in developing their communication and problem solving skills. It was also used to support children who require additional provision to minimise the barriers to learning that their social, emotional and behavioral needs create

These included:

1:1 music therapy sessions,- where children worked with a trained music therapist who supported the development of their communication skills, and musical skills as appropriate, with a bespoke combination of improvised instrumental music and voice.

Pennyhooks Farm –this provided and continues to provide a unique experience for young people who have Autism / Aspergers Syndrome where they have a hands-on experience in the running of a working farm. The activities are designed to support the personal growth and development of the students whilst providing them with appropriate and meaningful work related opportunities.

The Y7 catch up funding made an important contribution to the continued funding of these activities which enhanced our curriculum. The school continues to place a high value on this provision and results show that our children in receipt of this funding benefit from these activities.

School systems which monitor the quality of teaching and learning for pupils in the sixth form and those in EYFS demonstrated that pupils and students acquire knowledge quickly and are progress at a good level for their needs and levels of ability. Further work will continue to embed the systems developed for tracking pupil progress.

In September 2013 the EIG funded improvement with a grant of £70,000 to the outdoor facilities was completed. This provided more space, equipment and physical activities for the children and young people. Our midday supervisors reported that this quickly had a positive impact on the children's well-being during lunch time.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Kingfisher (continued)

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

At the end of Year 11, some pupils may choose not to remain in the school setting for further education and transfer to the College where they can continue their learning.

Fitzwaryn School is a member of several partnerships and all members of staff participate in the many professional development programs offered by these partnerships. This includes senior leadership training through the Ridgeway Partnership, Shadow Senior Leadership Team training, training for teachers in their second and third years of teaching, training for NQTs, for Deputy and Assistant Heads and for Head teacher groups. The school also runs a network for TAs that provides training and opportunities to share good practice between schools in several partnerships.

There has been a long tradition of being involved in partnerships that impact on the school. The school played an active role in the local partnerships of schools:- Wantage Partnership of Schools (WASPs); Faringdon Partnership; Ridgeway 14-19 Partnership; Oxfordshire Association of Special Schools (OASSH). Business links have been formed with the local Coop. Business community links are established and maintained through work experience placements being offered within the school and students taking up work experience placements in local work places.

Historically, Specialist Status funding has facilitated additional activities, for example establishing a high quality inreach/ outreach service, and a focus on teaching and learning of basic skills. Funding for this has now ceased but the school continues to fund the resources. The pupils have had many opportunities to experience a wide range of sporting activities with specialist trained coaches. The Out of School Liaison Officer (OSLO) has developed links with many after school settings who support Fitzwaryn pupils into leisure groups.

Global links - partnerships have been developed with schools in other countries e.g. Germany, Australia, and two Special schools in South African through the BEFSA project. (Borien Educational Foundation South Africa). The International Award has been achieved and was awarded for the fifth time in July 2014

New opportunities were constantly sought to engage with the local community e.g. sixth form students laying the table at the old people's home once a week, inviting the Charlton Centre (LLD adults) to participate in a school drama activity. The school is engaged in a social enterprise partnership with two other special schools and Abingdon and Witney FE college. This project involves key stage 5 pupils developing work related skills, independence skills and social communication skills alongside their peers from other settings

Outside accreditations e.g. Basic Skills, CPD mark, SS redesignation, Arts Mark, ICT Mark are always being sought to ensure that Fitzwaryn remains a centre of excellence with the ability to offer expertise and support to other schools. The Deputy Head continues to sit on the Oxfordshire Safeguarding Children Board.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Kingfisher has worked closely with an external consultant on the monitoring of quality teaching and learning (MQTL) processes through 2013/14, to introduce more opportunities for self-reflection, peer evaluation and coaching and also with Fitzwaryn School and Abingdon & Witney College to share experience and expertise. Through the Out of School Liaison Worker (OSLO) Kingfisher pupils also were supported by the following organisations during September 2013 – August 2014.

- Active8 – SEN trampolining club run at King Alfred's School on a Tuesday after school, term time only
- Barnardos holiday scheme at John Watson School
- Buddies - SEN Youth Club on a Wed evening, at the Hub at Abingdon run by Barnardos. Term time only
- Beavers. Monday night in Abingdon. Term time only
- Club at The Hub. – SEN Youth Club run at the Hub in Didcot on a Wednesday evening organised by Core Children's Services. Term time only
- Church Youth group at Marcham on a Friday after school. Term time only.
- SEN Feel Inspired Golf Academy run at Waterstock Golf Club for 6 weeks every summer with taster days in the Spring to find new recruits. Organised by the Bucks, berks and Oxon (BB&O) Partnership
- Guides on a Monday evening in Abingdon. Term time only
- Guideposts both ASC and Holiday scheme both based at Kingfisher School Guideposts Youth Club in Abingdon on a Friday evening. Term time only.
- Higher Energy Trampolining at OXSRAD on a Tuesday evening. Term time only
- KEEN – runs for the 8 weeks of the Oxford University Terms only. 2 different activities:
- Allsorts sports based activity in Oxford on a Saturday afternoon.
- KEEN Teens SEN Youth group on a Friday evening in Oxford
- Little kickers football skills club on a Sunday morning in Abingdon.
- Stagecoach, known locally as Interact. Based at John Watson school on a Thursday afternoon, 10 weeks each term.
- SEN Tennis. Currently based at Abingdon Leisure Centre once per month over the winter before going back to Faringdon Tennis Club.
- Soundabout. Based near Worminghall in Bucks; a specialist music provision. This is a wide range of activities all based around music. for children with complex and challenging behaviours.

In both schools, some pupils and students attended 'Guide posts', AAA and Beatbox – a local youth clubs for children with learning difficulties. The OSLO in both schools works closely with families to place the children in out of school activities.

Both schools have strong links to the working of outside agencies e.g. SALT, OT, Physio and school nurse to ensure that a holistic view of the pupils is achieved. Often therapists give advice to the teachers for input into target setting. The schools both pride themselves on developing good relationships with parents and carers and are always trying to find further methods of improving the relationship. Parents are welcomed by the school as partners in their child's education

PUBLIC BENEFIT

The Directors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit have provided consistently good and outstanding provision of education for all pupils, thereby ensuring the highest outcomes for all pupils. The Academy Trust has supported out of hours extended school provision at both Kingfisher School and Fitzwaryn School, aware of its commitment to supporting families and pupils by providing extra out of hours provision, not only in terms of the extended learning opportunities to the pupils, but vital respite for carers and parents.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievements and performance

With the appointment of the Business Development Manager in September 2013, a key priority was to deliver effective administration and financial management across the Trust. Termly visits carried out during the period September 2013 to August 2014 by the Responsible Officer have confirmed continual improvement in processes and policy across the Trust. The Business Development Manager acknowledges the considerable learning curve experienced by the whole team in converting to a Multi Academy Trust. Increased confidence is now displayed by the team, who also reflect a strong working relationship and understanding of roles and responsibilities. This is testament to their hard work and commitment to learning new processes and practice.

KEY FINANCIAL PERFORMANCE INDICATORS

Kingfisher School

Kingfisher School was inspected in June 2010 when it was judged to require special measures. A further inspection, in November 2011, judged that the school no longer required special measures. Kingfisher School was considered to provide a satisfactory education because there had been rapid improvement in several key aspects of its work. During the period to which these accounts relate, Kingfisher anticipated an Ofsted Inspection and continued to drive up standards of provision and through the Self-Evaluation Framework evaluated the provision as "Good". During this period, Ofsted did not visit to confirm whether this self-evaluation was an accurate judgment, however Ofsted did visit in November 2014 and confirmed the judgment of "Good". £1,514,843 was received in pupil funding (£872,320 EFA, £642,523 LA top up). The special school environment demands a higher than average adult to pupil ratio and the significant complexity of medical, physical and learning difficulties of pupils at Kingfisher resulted in 87% of funding being spent on staffing. Evidence to support that spending at this rate was appropriate was that the monitoring quality of lessons during the period September 2013 to August 2014 confirmed teaching to be mostly good with some outstanding practice; 91% teachers achieved good-outstanding teaching in autumn 2013 and spring 2014, with 100% achieving good – outstanding in summer 2014.

78% of pupils in Key Stages 1-4 made good – outstanding progress in English / Communication, Language and Literacy during this period as have 88% of pupils in Key Stages 1-4 who have made good – outstanding progress in Maths / Problem Solving and Reasoning. 100% of students in Post 16 made good-outstanding progress against their individual targets. Progress in EYFS was reported to be as follows by the EYFS Ofsted inspector in June 2014: "Staff have exceptional understanding of the needs of the children which means the children make rapid progress in relation to their individual starting points."

The use of our Pupil Premium £19,343 impacted positively on the achievement of those children in receipt of the funding with 82% meeting or exceeding their targets in CLL/English and 91% meeting or exceeding their targets in PSR/Maths during this period. All LAC children made good – outstanding progress over the year as a result of bespoke provision specifically designed to meet their individual needs.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Kingfisher was successful with an Academies Capital Maintenance Fund (ACMF) application for safeguarding works and was awarded £100,300. The award was split into 4 tranches; £10,030 was received in May 2014, £40,120 received in July 2014. Two further tranches will be received September and December 2014.

Scope of work:

- 1 New fire panel able to configure to a "Phased Zone" procedure to safeguard vulnerable pupils evacuating only when necessary
- 2 New corridor to provide most direct emergency escape to meeting point without exiting through another high needs classroom.
- 3 Fob access to allow secure and easy egress to classrooms releasing in the event of fire.
- 4 Door sensors to improve wheelchair and disability access.
- 5 Gates and fencing to prevent pupils with no sense of danger and tendency to run from accessing the road.

Most work (1-4) was completed during the summer school holiday period and snagging was completed in September. Complications with planning delayed the fencing and gates (5), however with planning consent confirmed, that work is about to commence.

Impact of the work has been significant. Security of the site in general has improved and pupils are unable to leave or enter a classroom without permission, which has decreased the number of interruptions and control of movement around the school. The new corridor providing access from the main corridor straight out onto the field has been a hugely positive development. The reconfiguring of the panel to zone the school in the event of a fire alarm has already shown positive value, and the school community has adapted well to this new fire procedure, and vulnerable pupils are not evacuated outside unnecessarily as would be the case with the traditional fire drill approach.

An Environmental Improvement Grant (EIG) of £70,000 was awarded in the summer of 2013 and in order to receive the money, the work had to be completed by the end of September 2013, a challenging time frame. Unforeseen ground work costs resulted in a further shortfall of £19,186. However, the work had had to proceed in order to comply with the DfE requirement to have the work completed by September. Governors agreed to meet the remaining shortfall from the school budget to enable the work to be completed by the end of September 2013, thus achieving the full benefit of the approved EIG and in the meantime, continued to discuss and clarify the understanding of the costs of the groundwork with the contractors. Work was completed by the end of September 2013 and the £70K was received in December 2013. The playground development has had significant impact on the outcomes of pupils, particularly the tarmacked "road track" around the field which has allowed pupils to improve their mobility skills using a variety of equipment which couldn't be used on the original grass only surface. An out-door canopy allows all year round outdoor play in individually fenced in playground spaces.

4 plasma screens were purchased (£12,702 total cost) and wireless broadband was installed during August 2013, however discrepancies with the invoice for wireless, resulted in the expenditure being raised in December 2013. Both these ICT purchases have had positive impact at raising achievement of pupils and wireless has been a hugely positive development throughout the school.

Significant expenditure has been incurred (approx. £17,800) for hydrotherapy swimming pool maintenance, however the pool is one of the most highly prized resources available to the school and so many pupils with mobility and learning difficulties make such good progress in the water. Pupils from Fitzwaryn also come to Kingfisher to benefit from the pool.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Fitzwaryn School

In the last two OFSTED inspection outcomes (2005, 2008) Fitzwaryn School was judged to be Outstanding and during this period September 2013 – August 2014, Ofsted did not visit. Ofsted has since visited in October 2014 and the judgment of Outstanding was confirmed. Therefore it can be confirmed that outstanding pupil progress is evidence of good use of financial resources during this period.

£1,601,766 was received in pupil funding (£893,639 EFA & 708127 LA top). The special school environment demands a higher than average adult to pupil ratio and as a result 83% of this funding supported staffing costs. Evidence to support that spending at this rate was appropriate was determined using the Self-Evaluation Framework evaluated the provision as "outstanding". Monitoring of the Quality of lesson delivery showed teaching to be of a high standard with 91% at least good, 52% being outstanding. Almost all pupils made excellent and sustained progress, staff ensured that realistic and robust targets were set.

£18,844 Pupil Premium was received during September 2013 – August 2014. This was used effectively to raise attainment by providing an additional teacher and teaching assistant to support individual interventions based on need in Communication, Literacy and/or Numeracy and any necessary additional resources. Pupils in receipt of Pupil Premium were able to access extra-curricular activities which are chargeable, and several used this entitlement to pay for Residential activities. The impact of the pupil premium was that all pupils receiving the allocation made progress at least in line with similar pupils at School. In particular the pupils whose Communication and Literacy skills were being targeted made progress in other areas of curriculum and social development over the course of the year. A detailed analysis of the impact was carried out by the Senior Leadership team and analysis of progress 2013/2014 showed that overall progression in English and Maths was outstanding, and in line with the progression of all pupils in school, towards the outstanding end of Key Stage targets set internally.

Fitzwaryn has had various phases of refurbishment and new build over the last three years, with the last phase, the student centre, being signed off in September 2013. Actual expenditure on maintenance issues throughout the period to which these accounts relate have been minimal as one would expect with an extensive build project. However, concerns began to emerge concerning the roof, and various parts of the building have experienced water damage caused by water seeping through from the roof. A roof survey was carried out in July 2014 and significant work has been identified which will be put forward for capital funding from the EFA.

Kingfisher & Fitzwaryn Asbestos works

Having experienced issues of accuracy with the local authority asbestos survey in previous schools, the Business Development Manager requested governor approval to re-survey both schools which was approved and a re-survey took place during the half term break in February 2014. Asbestos issues requiring urgent attention were located in both schools.

Kingfisher School: untreated asbestos insulation board (AIB) was discovered in the pool plant room ceiling and further asbestos debris in the roof void. Unprotected AIB was discovered in the boiler room as was asbestos debris on the walls. Quotes were obtained and the pool plant room work was carried out during the Easter break. The timetable did not allow for the boiler room work to be undertaken during the Easter break and this was completed during the first week of the summer holidays in July. It had not been realised that an application for funding to the EFA for emergency works such as removal of asbestos had to be made and approved before works could start. The work to the pool plant room was carried out before approval for funding from the EFA and Kingfisher therefore had to carry the financial burden of £3,605. £5,474 was received from emergency funding for the removal of asbestos debris and encapsulation of the ceiling and walls to the boiler room as approval was received before the work commenced later in the year.

Fitzwaryn: asbestos debris was located in the boiler room access shaft. The ceiling was in the main untreated AIB, some of which was in poor condition. The walls although encapsulated had been done badly and the recommendation was to re-do this work. A hole was evident in the far right hand corner of AIB in the main kitchen, this was then taped up and recommended for removal. Works at Fitzwaryn took place during the Easter break and no emergency funding was received as the application unfortunately was made after the work began. £1,867 kitchen and £4,038 boiler room.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for a certain period of the foreseeable future. However, the removal by the local authority of the expected exceptional high needs funding and the implementation of a flat-rate top up amount has placed Kingfisher School at risk and in time therefore the Trust as a whole. Discussion has taken place on the position of one school drawing on the other school's delegated budget, but it is acknowledged that by doing so, both schools will sooner rather than later be in difficulty. It is also felt improper that one school's delegated budget should support the other school to its detriment. The Directors are requesting an external consultant to report on the provision and whether there is a more cost effective staffing model to be implemented that will continue to provide successful outcomes for pupils in terms of education and health and safety, or whether the existing model is appropriate to meet the needs of the children

In light of this the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The Business Development Manager introduced the curriculum bid process into the schools to support formation of as accurate a new budget as possible, identifying future spending against identified priorities within the School Development Plans. Significant changes to the funding for special educational needs in Oxfordshire, has highlighted an even greater need for a long term realistic and thorough budget planning and monitoring process.

Fitzwaryn School has been in a stronger position financially than Kingfisher, and the curriculum leads were asked to submit a detailed and fully costed action plan for their curriculum area, identifying what was expected in terms of impact for pupil progress and how this would be measured identifying suitable success criteria. Staff presented a three year plan thereby allowing future resource in terms of financial commitments to be identified. This also ensured that the curriculum plan was robust and sustainable regardless of any change to staffing and leadership of the subject. In this way best value is guaranteed. Bids were presented to the local governing body and approved as appropriate.

Kingfisher School has experienced a challenging year financially and has not been in a position to finance the curriculum areas other than modestly, providing basic essentials. The ICT lead has produced a budget bid, but actions identified for this accounting period have in the main been forwarded to the new financial year and beyond. With the complexity of needs within the pupil community, staffing continues to be the greatest resource and with some pupils identified through risk assessment as requiring two adults to one pupil for reasons of Health and Safety, resourcing staffing appropriately continues to be the greatest challenge for a sustainable budget.

The statement and Individual Education Plans and the changing needs of the pupils have also identified the extra resources required to support individual learning such as eye gaze (£5K) and specialist standing frames (£4K+), however financial constraints have hindered the purchase of many resources.

In the view of the Directors, potential serious future financial difficulties have been caused by the Local Authority removing the expected exceptional needs funding and implementing a flat-rate top up per pupil amount across the special schools in Oxfordshire. This became apparent in February 2014 and has brought significant challenges to the process of forming the new budget for September 2014, as well as the purchase of extra resources throughout the year, mindful of the need to monitor spending and the carry forward required to support subsequent budgets if staffing was to be maintained at the appropriate level. Governors at local level and the Propeller Academy Trust Finance committee have called several additional meetings during the period June – July to discuss the crisis.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Action was taken to reduce staff hours for September 2014 by 25% as the only possible approach to produce a new budget and this was achieved through terminating temporary contracts and staff choosing to leave. However, the Business Development Manager together with the Propeller Academy Trust Finance Chair insisted on a three year budget forecast to be prepared (LGB minutes June 4th 2014). This required a further 10% cut in year 2 (September 2015) to staffing which is unworkable in real terms in the classroom. During the time to which these accounts relate it has become apparent it is not possible to form a realistic and workable two and three year sustainable budget plan based on the funding model in place.

RESERVES POLICY

The Propeller Academy Trust has a Reserves Policy in place and is in the process of determining a suitable reserve for each school to top slice for joint services in the first instance. Action plans for premises management and development have identified appropriate contingencies to sit within each school's budget, clearly identified for specific use. Both schools have contingency set aside for unforeseen emergencies covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence. The risk of a fall in income owing to a fall in pupil numbers is of minimal risk as Oxfordshire has a shortage of pupil places, and indeed in order to alleviate its financial crisis, Kingfisher has - agreed with the local authority to open a further class to accommodate further pupils taking it 10 pupils over planned places.

Fitzwaryn is currently in a position to fund modest capital projects, and at the close down in August 2014 identified £100K for playground developments.

The financial risks identified determine the amount of reserves the Propeller Academy Trust targets to hold.

At 31 August 2014 the total funds comprised:

Unrestricted	83,308
Restricted:	
Fixed asset funds	13,138,017
GAG	154,032
Pension reserve	(1,410,000)
Other	324,695
	<u>12,290,052</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors, and represent less than one month's worth of Academy expenditure. The aim of the Governors is to increase this reserve to meet future working capital requirements.

INVESTMENTS POLICY

The Propeller Academy Trust did not hold any investments during the period September 2013 to August 2014.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Principal risks and uncertainties

The Propeller Academy Trust has implemented the Risk Register from the Financial Directors Forum Exceeye and has established review of the Risk Register as a standing item on the Audit Committee agenda. The Responsible Officer has commented on the quality of the Register and the significant advancement of the Propeller Academy Trust to identify and manage risk.

The principal risks faced by the Propeller Academy Trust:

Financial Risk - *"insufficient funds to deliver services to the appropriate level owing to a significant change in top up funding from the local authority for pupils with SEN"*. An action plan has been formulated to attempt to mitigate this risk; To date, two Directors have met with the local authority to ask for a review of the new formula with regard to Kingfisher School which has a higher than average pupil profile consisting of significant medical and complex needs. The further risk that *"the academy receives inadequate funds to meet real costs"* continues to remain high risk as the single flat rate per pupil top up regardless of need has been implemented across Oxfordshire and the local authority have made it clear that there is no intention to review it.

Performance Risk - that *"there are insufficient staff or resources to deliver services to the appropriate level"*. The implementation of the flat rate local authority top up pupil allocation has impacted significantly on Kingfisher in particular and necessitated a 25% reduction in teaching assistant hours to support pupils in the classroom in order to produce the new budget. In order to produce a 3 year projection, it is anticipated that further cuts to staffing will be necessary, although this may impact on delivery of service. This reduction of hours was implemented for September 2014 and continues to be monitored to ensure health and safety and delivery of service are not compromised.

Reputational Risk - Both schools with the Trust expected Ofsted inspections during the academic year which, in fact, took place in September and November 2014. Failure to secure a "Good" judgment would damage both the individual school and reputation of the Trust as a whole. Significant collaborative practice across the Trust has ensured moderation of judgments on quality of provision to ensure as accurate an assessment of provision is identified.

Policies and other key documents are linked to the individual risks within the register and assist to evidence how certain risks have been mitigated. This has also ensured a continual review of policies and procedures and a consistency of good practice. Risk Management is an integral part of daily life across the Propeller Academy Trust and teaching and support staff are confident in producing risk assessment together with applying them and recognise how this aids delivery of quality service to the pupils. Health and Safety of pupils and staff is priority and at the last Health and Safety audit where practice was found to be outstanding (September 2014) it was confirmed that the local authority use the Propeller Academy Trust Health and Safety policy as an example of best practice to new academies who need to implement the policy.

Understanding of the importance of the Risk Register and its financial implications has increased and financial risk management now identifies where contingency should be ring fenced to mitigate the risk as in the case of historic liabilities which have been identified

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Risk Management

The Audit Committee has, on behalf of the Propeller Academy Trust, managed the Risk Register and considered the following in its area of review:

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

The Audit Committee, in managing the Risk Register, has conducted a process whereby it requests information on action taken by, primarily, but not exclusively the following sources: Directors; Local Governing Body Committees and Sub-Committees; Senior Leadership Team and other staff as appropriate.

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

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

The Propeller Academy Trust Board of Directors accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

PLANS FOR FUTURE
Aims and Key Objectives

Kingfisher

- To appoint an external consultant.
- To establish the new class to accommodate additional pupils to bring in additional funding. The process to recruit new staff has taken place with appointments made with variable starting times, through terms 1 2 and 3 dependent on their period of notice. SLT members have ensured that there is a minimal impact on the quality of provision.
- New staff are currently being inducted into the policies and procedures of the school.
- A priority is to increase the percentage of teachers providing a Good level of Teaching and Learning to Outstanding by at least 50%. We need a period of consolidation and careful monitoring of our recently introduced policies to allow the expectations of practice to embed and demonstrate measurable impact.
- To upgrade facilities in the hydrotherapy pool – one of the most valuable resources in terms of outcomes for pupils.
- To improve 6th form facilities through a capital bid as premises were noted by Ofsted to be of concern.
- To upgrade the light and sensory room facilities – to create a relaxing environment for our pupils to promote well-being, as well as developing the ability to focus and develop new skills. The multi-sensory environment will provide the stimulus to increase attention levels and involvement, and help to build confidence and social skills.
- To source funding for eye gaze technology £5K per item to enhance pupils communication ability, engagement and confidence.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Fitzwaryn

- **Achievement**
To have robust systems for Post 16 and EYFS data in place which accurately record pupil progress and for a revised post 16 curriculum to be outlined and trialed as a pilot 2014 – 2015 following NOCN training
To have updated B2 assessment system linked to new curriculum to inform accurate pupil progress within new curriculum offer
- **Behaviour and Safety**
To ensure the outside area is enhancing learning physical and social opportunities for all pupils
To complete self-funded playground development and development plans for community use of football field which will ensure the outside area is enhancing learning, physical and social opportunity for all pupils
For practice to be enhanced in relation to sensory processing and behaviour
For all risk assessments including pupil risk assessment linked to behaviour plans to be reviewed in light of the above
- **Quality of Teaching and Learning**
For the quality of teaching and learning to be judged at least good consistently across the school
for the expertise of the staff in teaching and learning within communication to be enhanced
To ensure that there are purposeful means of communication across the school in conjunction with SALT
To have consistency in the teaching of Maths across the school
- **Leadership and Management**
For a revised post 16 curriculum to be outlined and trialed as a pilot following NOCN training
For class staff to line manage their own teams successfully including arrangements for appraisal
An effective parent forum continues to hear and respond to parent views particularly in light of the SEND reform
To develop and implement the new gov arrangements in light of PAT
To continue to work strategically with school staff/SIP to make a difference
To ensure governance remains of high priority within the school
Redevelopment of the bungalow on site potential respite care / independent living resource

Auditor

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 8 December 2014 and signed on the board's behalf by:



Mrs Karyn Buck

Chair of Trustees

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher of Fitzwaryn, Stephanie Coneboy, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Propeller Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Karen Buck (Chairman)	4	4
Dr Niall Barr	0	1
Miss Teresa Kelly	3	4
Mrs Stephanie Coneboy (Accounting Officer)	4	4
Mrs Adrienne Martin	3	4
Mr Barry Taylor	4	4
Mrs Davina Mackay	1	4
Mr Julian Rideout	2	4
Mr Terry Stock	4	4
Mrs Sharon Parr	1	4
Mr Sam Jackson	1	1

The Board of Directors is still in its early stages of development. However it has recognised the need for a richness of expertise within its membership if it is to flourish. An element of membership is not affiliated to either school thereby bringing impartiality which at times of challenging decision making is invaluable. The Propeller Academy Trust has not undertaken a self-evaluation and skills audit but intends to discuss this and review membership of the various committees. Both local governing bodies have undertaken self-evaluation and 6 Directors have been part of this review at the local level.

The Business Development Manager put forward to the Board the merging of the local governing body finance committees for September 2014 which was approved for a trial period of one year. The committee has already met twice and the scrutiny and debate has increased significantly. As this committee gains experience, this is likely to impact on the development of the Trust Finance and General Purposes Committee as currently the same Directors attend both committee meetings.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. It has supported the decision making of the Propeller Academy Trust, by enabling more detailed consideration to be given to the best means of fulfilling the Trust's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The Committee has met regularly and made recommendations on all matters related to the above to the Propeller Academy Trust Board. The committee considered the Trust's indicative funding, notified annually by the DfE, and assessed its implications for the academies, in consultation with the Headteachers, in advance of the financial year, and in particular highlighted the change to local authority top up funding as a concern. With this in mind, the committee insisted on a three year projection for the budgets of both schools and although fraught with challenge, was able to recommend a budget for submission in July 2014. This committee has received the academies Strategic and Development Plans, and has considered financial priorities and proposals, in consultation with the Headteachers, with the stated and agreed aims and objectives of the academies. It has also distributed a tender for an external consultant to review Kingfisher as a matter of urgency.

The committee has received and made recommendations on the broad budget headings and areas of expenditure throughout the year. Contingency was ringfenced within Fitzwaryn's budget for playground development which the committee approved, together with confirming that the local governing body was authorised to determine allocating contingency for such projects on the basis of sustaining a three year projection.

Directors are also members of the local governing body finance committee as is the Business Development Manager who is an Associate member. The Committee will liaise with and receive reports from the Schools' Local Governing Body Committees with regard to staffing/remuneration and curriculum as appropriate, and will make recommendations to those committees about the financial aspects of matters being considered by them.

Expenditure is monitored and reviewed on a regular basis to ensure compliance with the overall financial plan for the academy, and the financial regulations of the DfE, drawing any matters of concern to the attention of the Propeller Academy Trust Board of Directors.

The Business Development Manager monitors progress of the Academic and Activities accounts and forwards reports for review to the committee.

The Committee monitors and reviews the effective implementation and operation of financial guidelines, including adherence to the Academies Financial Handbook, the implementation of bank account arrangements, the awarding of contracts and entering into lease arrangements, and where appropriate makes recommendations for improvement. The Committee recommends to the full Propeller Academy Trust Board of Directors the level of financial authority and other controls to be delegated to the Finance Committee, Headteacher and staff for the management of the academy, keeps this reviewed annually and ensures compliance with guidance in the Academies Financial Handbook.

The Committee is updated annually on any changes to the scales of charges for lettings, as determined by the Headteachers and Business Development Manager. It ensures that the academy has adequate insurance cover to support its activities and comply with statutory requirements.

The Committee reviews the financial statement to form part of the annual report of the Propeller Academy Trust Board of Directors to parents and for filing in accordance with the Companies Act and Charity Commission requirements and informs the Audit Committee and/or Propeller Academy Trust Board of Directors of any concerns with accounting practice, financial management, and probity.

The Committee takes ownership for the development, approval and monitoring of any related policies allocated to the committee for review as needed and ensures the Clerk to the Propeller Academy Trust Board of Directors, in conjunction with the Business Development Manager, maintain the Register of Business Interests.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

During the year K Miller, who is a qualified accountant, joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr Niall Barr	0	1
Mrs Stephanie Coneboy	4	4
Mrs Adrienne Martin	4	4
Mr Barry Taylor	4	4
Mr Julian Rideout	4	4
Mr Terry Stock	4	4

The Audit Committee has a separate agenda and responsibilities but sits following the Finance and General Purposes Committee, currently with the same membership. It is also a sub-committee of the main board of trustees. The Combined Code on Corporate Governance states as a principle that:

"The board should establish formal and transparent arrangements for considering how they should apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the company's auditors."

The Propeller Academy Trust, in order to meet this principle has established an Audit Committee as a sub-committee of the Full Board of the Propeller Academy Trust.

The committee monitors the integrity of the financial statements of the company, including its annual report interim management statements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain. The committee reviews summary financial statements, significant financial returns to regulators and any financial information contained in other documents as required

The committee reviews and challenges where necessary: the consistency of, and any changes to, accounting policies both on a year on year basis and across the company; the methods used to account for significant or unusual transactions where different approaches are possible; whether the company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor; the clarity of disclosure in the company's financial reports and the context in which statements are made; all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

The committee is responsible for Internal Controls & Risk Management Systems and keeps these under review together with reviewing and approving the statements to be included in the annual report concerning internal controls and risk management.

The committee reviews the company's arrangements for its employees to raise concerns, including related policies, in confidence, about possible wrongdoing in financial reporting or other matters through the Whistleblowing & Fraud Policies and ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

The committee monitors and reviews the effectiveness of the company's internal audit arrangements in the context of the company's overall risk management system; reviews and assesses the annual internal audit plan; reviews promptly all reports on the company from the internal auditors; reviews and monitors management's responsiveness to the findings and recommendations of the internal auditor; meets the internal auditor at least once a year, without management being present, to discuss their remit and any issues arising from the

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

internal audits carried out; in addition, the internal audit provider shall be given the right of direct access to the Chair to the Board of the Propeller Academy Trust and to the committee.

The committee considers and makes recommendations to the Board of the Propeller Academy Trust, to be put forward for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditors; oversees the selection process for new auditors and if an auditor resigns the committee will investigate the issues leading to this and decide whether any action is required.

The Committee oversees the relationship with the external auditor including (but not limited to) the approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted; approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit; assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the audit as a whole, including the provision of any non-audit services; satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company (other than in the ordinary course of business); seeking to ensure co-ordination with the activities of the internal audit function;

The committee meets the external auditor at least once a year, without management being present to discuss their remit and any issues arising from the audit; review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement; review the findings of the audit with the external auditor, which shall include but not be limited to, the following: a discussion of any major issues which arose during the audit; any accounting and audit judgments; levels of errors identified during the audit; review the effectiveness of the audit; review any representation letter(s) requested by the external auditor before they are signed by management; review the management letter and management's response to the auditor's findings and recommendations;

The committee Chair shall report formally to the Propeller Academy Trust Board on its proceedings after each meeting on all matters within its duties and responsibilities and make whatever recommendations to the Propeller Academy Trust Board it deems appropriate on any area within its remit where action of improvement is needed. The committee shall compile a report on its activities to be included in the company's Annual Report.

The committee shall give due consideration to the Academies Financial Handbook and at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Propeller Academy Trust Board for approval.

The committee is authorised to seek any information it requires from any Director, governor or employee of the company in order to perform its duties; to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference; to call any Director, governor or employee to be questioned at a meeting of the committee as and when required.

Fitzwaryn Local Governing Body has undertaken both skills audits (June 2014), a review of their impact (November 2013) and of their performance as measured against the OFSTED checklist (17/09/14) and carried out a successful recruitment drive following resignations at the end of the school year, July 2014 which included use of the skills audit, and resulted in four good new appointments and a strong governor presence is evident.

The Local Governing Body at Kingfisher carried out a self-assessment in October 2013 using "Twenty key questions for a school governing body to ask itself", published by the NGA. An action plan was created as result and the self-assessment was repeated in October 2014 to measure progress and shared with Ofsted.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Kingfisher LGB considered the following:

Right skills: Do we have the right skills on the governing body?

We have completed a skills audit of our governing body.
We appoint governors on the basis of their skills.
We know how to find people with the necessary skills.

Effectiveness: Are we as effective as we could be?

We understand our roles and responsibilities.
We have a professional clerk.
We run meetings efficiently.
We have a training and development budget for governors.
Every governor receives the support they need to carry out their role effectively.
We know about good practice from across the country.
The size, composition and committee structure of our governing body is conducive to effective working.
Every member of the governing body makes a regular contribution.
We carry out an annual review of the governing body's performance.

Strategy: Does the school have a clear vision?

We have developed long-term aims for the school with clear priorities in an ambitious school development plan which is regularly monitored and reviewed.
Our strategic planning cycle drives the governing body's activities and agenda setting.

Accountability of the executive: Do we hold the school leaders to account?

We understand the school's performance data well enough to properly hold school leaders to account.
Our performance management of the headteacher is effective.
Our financial management systems are robust.
We ensure best value for money.

Engagement: Are we properly engaged with our school community, the wider school sector and the outside world?

We listen to and understand our pupils, parents and staff.
We report to our parents and local community regularly.
We draw benefit from collaboration with other schools and other sectors, locally and nationally.

Role of chair: Does our chair show strong and effective leadership?

We carry out a regular 360 degree review of the chair's performance.
We engage in good succession planning.
The chair and committee chairs are re-elected each year

Impact: Are we having an impact on outcomes for pupils?

The school has improved over the last three years.
The governing body has made a major contribution to this school improvement.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Propeller Academy Trust for the period September 1st 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Macintyre Hudson as internal auditor and
- the Local Authority as Responsible Officer ('RO');

The auditor's/RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Three times a year, the Responsible Officer issued a report for each school reporting on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The schedule of work has been delivered as planned and no serious control issues have arisen. Continual improvement to management and control of processes and procedures has been identified and at each visit there has been evidence of development and good practice.

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer Internal Auditor and by participating as a member of the local governing body finance committee and Trust Finance and General Purposes Committee and
- the work of the Board of Directors who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee/finance and general purposes committee. A continual improvement and development of processes has addressed initial weaknesses and there is confirmation of continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 8 December 2014 and signed on its behalf by:


Mrs Karyn Buck
Chair of Trustees


Mrs Stephanie Coneboy
Accounting Officer

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

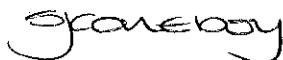
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

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 EFA.

Signed



Mrs Stephanie Coneboy
Accounting officer

8 December 2014

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 8 December 2014 and signed on its behalf by:



Mrs Karyn Buck
Chair of Trustees

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THE PROPELLER ACADEMY TRUST

We have audited the financial statements of The Propeller Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THE PROPELLER ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Bianca Silva ACA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 17 December 2014

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 FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Propeller Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Propeller Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE PROPELLER ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;

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 FUNDING AGENCY (continued)**

- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *17 December 2014*

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer on conversion	2	-	-	-	-	12,701,694
Other voluntary income	2	46,254	4,991	-	51,245	6,951
Activities for generating funds	3	35,374	-	-	35,374	32,291
Investment income	4	815	-	-	815	210
Incoming resources from charitable activities	5	-	3,353,631	192,872	3,546,503	1,897,524
TOTAL INCOMING RESOURCES		82,443	3,358,622	192,872	3,633,937	14,638,670
RESOURCES EXPENDED						
Charitable activities	7	31,085	3,334,897	207,442	3,573,424	1,896,606
Governance costs	8	-	14,526	-	14,526	7,999
TOTAL RESOURCES EXPENDED	6	31,085	3,349,423	207,442	3,587,950	1,904,605
NET INCOMING RESOURCES BEFORE REVALUATIONS		51,358	9,199	(14,570)	45,987	12,734,065
Actuarial gains and losses on defined benefit pension schemes		-	(303,000)	-	(303,000)	(187,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		51,358	(293,801)	(14,570)	(257,013)	12,547,065
<i>Total funds at 1 September 2013</i>		<i>31,950</i>	<i>(637,472)</i>	<i>13,152,587</i>	<i>12,547,065</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		83,308	(931,273)	13,138,017	12,290,052	12,547,065

All activities relate to continuing operations.

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

The notes on pages 35 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 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	15		13,076,856		13,132,431
CURRENT ASSETS					
Debtors	16	122,864		72,988	
Cash at bank		729,250		502,562	
		<u>852,114</u>		<u>575,550</u>	
CREDITORS: amounts falling due within one year	17	(228,918)		(122,916)	
NET CURRENT ASSETS			623,196		452,634
TOTAL ASSETS LESS CURRENT LIABILITIES			13,700,052		13,585,065
Defined benefit pension scheme liability	23	(1,410,000)			(1,038,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>12,290,052</u>		<u>12,547,065</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	478,727		400,528	
Restricted fixed asset funds	18	13,138,017		13,152,587	
Restricted funds excluding pension liability		<u>13,616,744</u>		<u>13,553,115</u>	
Pension reserve		<u>(1,410,000)</u>		<u>(1,038,000)</u>	
Total restricted funds			12,206,744		12,515,115
Unrestricted funds	18		83,308		31,950
TOTAL FUNDS			<u>12,290,052</u>		<u>12,547,065</u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:



Chair of Trustees
MRS K BUCK

The notes on pages 35 to 57 form part of these financial statements.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Year ended 31 August 2014 £	6 months 31 August 2013 £
Net cash flow from operating activities	20	184,868	173,029
Returns on investments and servicing of finance	21	815	210
Capital expenditure and financial investment	21	41,005	1,819
Cash transferred on conversion to an academy trust		-	327,504
INCREASE IN CASH IN THE YEAR		226,688	502,562

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Increase in cash in the year	226,688	502,562
MOVEMENT IN NET FUNDS IN THE YEAR	226,688	502,562
Net funds at 1 September 2013	502,562	-
NET FUNDS AT 31 AUGUST 2014	729,250	502,562

The notes on pages 35 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 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 one year from the date of approval of the financial statements.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

The cost of tangible fixed assets transferred on conversion to Academy Trust status is stated as follows:

- land and buildings at their depreciated replacement cost based on a professional valuation;
- other assets at their depreciated value as at the date of conversion.

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.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	- 2% per annum on cost
Fixtures and fittings	- 20% per annum on cost
Computer equipment	- 33% per annum on cost

1.7 Operating leases

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

1.8 Taxation

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.9 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
Transfer on conversion	-	-	-	12,701,694
Donations	46,254	4,991	51,245	6,951
Voluntary income	46,254	4,991	51,245	12,708,645

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
Income from facilities	14,947	-	14,947	19,883
School clubs	7,304	-	7,304	5,401
Catering income	13,123	-	13,123	7,007
	<u>35,374</u>	<u>-</u>	<u>35,374</u>	<u>32,291</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
Bank interest receivable	<u>815</u>	<u>-</u>	<u>815</u>	<u>210</u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,861,408	1,861,408	1,165,571
EFA start up grant A	-	6,808	6,808	6,808
EFA start up grant B	-	-	-	17,797
Pupil premium	-	38,187	38,187	7,395
Lead in grant	-	-	-	61,135
16 - 19 bursary	-	4,991	4,991	2,019
Other EFA revenue grants	-	20,790	20,790	3,167
EFA capital grants	-	176,047	176,047	40,125
	-	2,108,231	2,108,231	1,304,017
Other government grants				
SEN income	-	1,350,651	1,350,651	533,149
Other local authority revenue	-	83,962	83,962	51,408
	-	1,434,613	1,434,613	584,557
Other funding				
Trip income	-	3,659	3,659	2,329
School fund income	-	-	-	6,621
	-	3,659	3,659	8,950
	-	3,546,503	3,546,503	1,897,524

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Year	6 Months
	2014	Premises	Other costs	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Educational operations	2,391,914	184,312	200,342	2,776,568	1,518,615
Support costs	314,440	321,855	160,561	796,856	377,991
Charitable activities	2,706,354	506,167	360,903	3,573,424	1,896,606
Governance	-	-	14,526	14,526	7,999
	2,706,354	506,167	375,429	3,587,950	1,904,605

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. CHARITABLE ACTIVITIES

	Year Total funds 2014 £	6 Months Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,391,914	1,311,606
Depreciation	207,442	108,873
Travel and subsistence	1,445	471
Staff training	28,328	11,299
Employee expenses	-	6,047
Educational supplies	51,925	26,579
School trip expenditure	28,150	13,786
Transportation	16,453	8,906
School fund	-	2,357
ICT learning resources	31,622	16,804
Examination fees	1,152	401
Professional fees	18,137	11,486
	<u>2,776,568</u>	<u>1,518,615</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	314,440	123,673
Pension finance cost	34,000	19,000
Travel and subsistence	3,681	1,467
Professional fees	41,536	54,150
Other staff costs	15,144	8,226
Maintenance	98,870	25,691
Cleaning	56,653	14,019
Water and sewerage	11,702	4,490
Energy	49,594	39,769
Waste disposal	6,318	3,278
Other occupation costs	42,171	27,135
Catering	34,991	9,005
Premises insurance	57,654	34,417
Administrative supplies	30,102	13,671
	<u>796,856</u>	<u>377,991</u>
	<u><u>3,573,424</u></u>	<u><u>1,896,606</u></u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
Auditors' remuneration	-	7,001	7,001	6,749
Auditors' non audit costs	-	7,525	7,525	1,250
	<u>-</u>	<u>14,526</u>	<u>14,526</u>	<u>7,999</u>

9. NET INCOMING RESOURCES

This is stated after charging:

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	207,442	108,873
Auditors' remuneration	7,001	6,749
Auditors' remuneration - non-audit	7,525	1,250
Operating lease rentals:		
- other operating leases	2,775	1,558
	<u>207,743</u>	<u>118,430</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Wages and salaries	2,218,281	1,190,412
Social security costs	126,962	68,560
Other pension costs (Note 23)	348,755	176,307
	<u>2,693,998</u>	<u>1,435,279</u>
Supply teacher costs	12,356	-
	<u>2,706,354</u>	<u>1,435,279</u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. STAFF (continued)

b. Staff numbers

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

	Year ended 31 August 2014 No.	6 months 31 August 2013 No.
Teachers and teaching assistants	67	89
Administration and support	13	15
Management	7	6
	<u>87</u>	<u>110</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	Year ended 31 August 2014 No.	6 months 31 August 2013 No.
In the band £60,001 - £70,000	<u>2</u>	<u>2</u>

Both of the above employees participated in the Teachers' Pension Scheme. During the period 31 August 2014, pension contributions for these staff amounted to £18,572 (2013: £10,641).

11. CENTRAL SERVICES

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 2 Trustees (2013 - 2) in respect of defined benefit pension schemes.

The Heads only receive remuneration in respect of services they provide undertaking the roles of Heads and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	Year ended 31 August 2014 £	6 months 31 August 2013 £
S Coneboy	65,000-70,000	35,000-40,000
A Martin	60,000-65,000	35,000-40,000

Teacher's pension contributions of £18,572 were made in respect of the above employees. During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,435 (2013 - £2,345). The cost of this insurance is included in the total insurance cost.

14. PENSION FINANCE COST

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Expected return on pension scheme assets	68,000	29,000
Interest on pension scheme liabilities	(102,000)	(48,000)
	<u>(34,000)</u>	<u>(19,000)</u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

15. TANGIBLE FIXED ASSETS

	Long Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	13,196,000	19,970	25,334	13,241,304
Additions	85,021	66,846	-	151,867
At 31 August 2014	13,281,021	86,816	25,334	13,393,171
Depreciation				
At 1 September 2013	107,193	333	1,347	108,873
Charge for the year	184,312	14,770	8,360	207,442
At 31 August 2014	291,505	15,103	9,707	316,315
Net book value				
At 31 August 2014	12,989,516	71,713	15,627	13,076,856
At 31 August 2013	13,088,807	19,637	23,987	13,132,431

Included in land and buildings is leasehold land at cost of £4,008,000 (2013 - £4,008,000) which is not depreciated.

Leasehold property additions relate to playground, carpark and refurbishment works.

16. DEBTORS

	2014 £	2013 £
Other debtors	47,054	47,302
Prepayments and accrued income	75,810	25,686
	122,864	72,988

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

17. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	5,077	16,569
Other taxation and social security	35,081	34,650
Other creditors	42,650	37,130
Accruals and deferred income	146,110	34,567
	<u>228,918</u>	<u>122,916</u>

Deferred income

Resources deferred during the year

£
61,421

Deferred income comprises grants received during the year relating to future periods.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted fund	31,950	82,443	(31,085)	-	-	83,308
Restricted funds						
General Annual Grant (GAG)	75,833	1,861,408	(1,783,209)	-	-	154,032
Funds from predecessor school	324,695	-	-	-	-	324,695
Other EFA grants	-	70,776	(70,776)	-	-	-
Local authority SEN funding	-	1,330,073	(1,330,073)	-	-	-
Other Local Authority funds	-	92,706	(92,706)	-	-	-
Other restricted income	-	3,659	(3,659)	-	-	-
Pension reserve	(1,038,000)	-	(69,000)	-	(303,000)	(1,410,000)
	<u>(637,472)</u>	<u>3,358,622</u>	<u>(3,349,423)</u>	<u>-</u>	<u>(303,000)</u>	<u>(931,273)</u>
Restricted fixed asset funds						
Capital expenditure from GAG	18,335	-	-	(18,335)	-	-
DFE capital grants	20,155	176,047	-	(151,867)	-	44,335
Fixed asset fund	13,114,097	-	(207,442)	170,202	-	13,076,857
LA capital grants	-	16,825	-	-	-	16,825
	<u>13,152,587</u>	<u>192,872</u>	<u>(207,442)</u>	<u>-</u>	<u>-</u>	<u>13,138,017</u>
Total restricted funds	<u>12,515,115</u>	<u>3,551,494</u>	<u>(3,556,865)</u>	<u>-</u>	<u>(303,000)</u>	<u>12,206,744</u>
Total of funds	<u>12,547,065</u>	<u>3,633,937</u>	<u>(3,587,950)</u>	<u>-</u>	<u>(303,000)</u>	<u>12,290,052</u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy 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.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. STATEMENT OF FUNDS (continued)

The LGPS deficit 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.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Fitzwaryn School	429,661
Kingfisher School	132,374
	<u>562,035</u>
Total before fixed asset fund and pension reserve	
Restricted fixed asset fund	13,138,017
Pension reserve	(1,410,000)
	<u>12,290,052</u>
Total	<u><u>12,290,052</u></u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Fitzwaryn School	1,197,678	190,755	63,683	231,693	1,683,809
Kingfisher School	1,194,235	157,688	113,529	231,247	1,696,699
	<u>2,391,913</u>	<u>348,443</u>	<u>177,212</u>	<u>462,940</u>	<u>3,380,508</u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year Total funds 2014 £	6 Months Total funds 2013 £
Tangible fixed assets	-	-	13,076,856	13,076,856	13,132,431
Current assets	141,311	649,642	61,161	852,114	575,550
Creditors due within one year	(58,003)	(170,915)	-	(228,918)	(122,917)
Pension liability	-	(1,410,000)	-	(1,410,000)	(1,038,000)
	<u>83,308</u>	<u>(931,273)</u>	<u>13,138,017</u>	<u>12,290,052</u>	<u>12,547,065</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Net incoming resources before revaluations	45,987	12,734,065
Returns on investments and servicing of finance	(815)	(210)
Fixed assets transferred from Local Authority on conversion	-	(13,202,999)
Cash transferred on conversion	-	(327,504)
Depreciation of tangible fixed assets	207,442	108,873
Capital grants	(192,872)	(40,125)
Pension liability transferred on conversion	-	826,000
Increase in debtors	(49,876)	(72,989)
Increase in creditors	106,002	122,918
FRS 17 adjustments	69,000	25,000
Net cash inflow from operations	<u>184,868</u>	<u>173,029</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Returns on investments and servicing of finance	815	210
Interest received	<u>815</u>	<u>210</u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(151,867)	(38,306)
Capital grants from DfE	192,872	40,125
Net cash inflow capital expenditure	41,005	1,819

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	502,562	226,688	-	729,250
Net funds	502,562	226,688	-	729,250

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £34,356 were payable to the scheme at 31 August 2014 (2013 - 34,549) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. PENSION COMMITMENTS (continued)

benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

23. PENSION COMMITMENTS (continued)

force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £236,000, of which employer's contributions totalled £181,000 and employees' contributions totalled £55,000. The agreed contribution rates for future years are 15.5% for employers and between 5.5% and 12.5% for employees.

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

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70	905,000	7.00	699,000
Gilts	3.00	123,000	3.50	122,000
Bonds	3.60	82,000	4.40	41,000
Property	5.90	81,000	6.00	61,000
Cash	2.90	57,000	0.50	41,000
Alternative assets	6.70	23,000	5.00	51,000
Total market value of assets		<u>1,271,000</u>		<u>1,015,000</u>
Present value of scheme liabilities		<u>(2,681,000)</u>		<u>(2,053,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,410,000)</u></u>		<u><u>(1,038,000)</u></u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

23. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Present value of funded obligations	(2,681,000)	(2,053,000)
Fair value of scheme assets	1,271,000	1,015,000
Net liability	<u>(1,410,000)</u>	<u>(1,038,000)</u>

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

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Current service cost	(216,000)	(101,000)
Interest on obligation	(102,000)	(48,000)
Expected return on scheme assets	68,000	29,000
Past service cost	-	95,000
Total	<u>(250,000)</u>	<u>(25,000)</u>
Actual return on scheme assets	<u>119,000</u>	<u>73,000</u>

The expected rate of return is estimated to be 5.9% per the actuarial report based on the estimated fund value used at the accounting date.

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

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Opening defined benefit obligation	2,053,000	1,643,000
Current service cost	216,000	101,000
Interest cost	102,000	48,000
Contributions by scheme participants	55,000	29,000
Actuarial losses	269,000	232,000
Benefits paid	(14,000)	-
Closing defined benefit obligation	<u>2,681,000</u>	<u>2,053,000</u>

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

23. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2014 £	6 months 31 August 2013 £
Opening fair value of scheme assets	1,015,000	817,000
Expected return on assets	68,000	29,000
Actuarial gains and (losses)	(34,000)	45,000
Contributions by employer	181,000	95,000
Contributions by employees	55,000	29,000
Benefits paid	(14,000)	-
	<u>1,271,000</u>	<u>1,015,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(490,000) (2013 - £(187,000)).

The Academy Trust expects to contribute £181,000 to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	71.00 %	69.00 %
Gilts	10.00 %	12.00 %
Bonds	6.00 %	4.00 %
Property	6.00 %	6.00 %
Cash	5.00 %	4.00 %
Alternative assets	2.00 %	5.00 %

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

	2014	2013
Retiring today		
Males	23.2	19.2
Females	25.5	23.2
Retiring in 20 years		
Males	25.4	21.1
Females	27.9	25.1

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.70 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %
Inflation assumption (CPI)	2.70 %	2.90 %
RPI Increases	3.50 %	3.70 %

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(2,681,000)	(2,053,000)	(1,643,000)
Scheme assets	1,271,000	1,015,000	817,000
Deficit	(1,410,000)	(1,038,000)	(826,000)
Experience adjustments on scheme liabilities	(191,000)	-	-
Experience adjustments on scheme assets	(34,000)	45,000	-

24. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £	2014 £	Other 2013 £
Expiry date:				
Within 1 year	-	-	241	240
Between 2 and 5 years	-	-	1,952	2,159

25. RELATED PARTY TRANSACTIONS

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

Other than as disclosed in note 12, there were no related party transactions during the year.

THE PROPELLER ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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.



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