

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 – 17
Governance statement	18 – 21
Statement on regularity, propriety and compliance	22
Trustees' responsibilities statement	23
Independent auditors' report	24 – 25
Independent reporting accountant's assurance report on regularity	26 – 27
Statement of financial activities	28
Balance sheet	29
Cash flow statement	30
Notes to the financial statements	31 - 51

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members

Mrs Teresa Kelly
Mrs Pat Hudson
Mrs Karyn Buck

Trustees

Karyn Buck	Chair of Trustees
Pat Hudson	Chair Fitzwaryn LGB
Stephanie Coneboy	Headteacher Fitzwaryn and Accounting Officer
Teresa Kelly	College Principal
Adrienne Martin	Headteacher Kingfisher (resigned December 2014)
Julian Rideout	Trustee (resigned June 2015)
Terry Stock	Trustee
Barry Taylor	Chair Kingfisher LGB (resigned August 2015)
Sam Jackson	Trustee
Samantha Bamford	Parent Trustee (appointed March 2015)
Amanda Edney	Headteacher Kingfisher (appointed January 2015)
Paul McConaghy	Parent Trustee (appointed November 2014)

Members of the Propeller Academy Trust Finance and Audit Committees

Terry Stock	Chair
Barry Taylor	
Stephanie Coneboy	
Adrienne Martin	
Amanda Edney	
Pat Hudson	
Julian Rideout	
Miranda Coles	Associate A & WC
Catherine Barns	

Merged local Governing Body Finance Committee as of July 2014

Julian Rideout	Chair
Stephanie Coneboy	
Pat Hudson	
Jeanne Lapsley	
Terry Stock	
Barry Taylor	
Katharine Boyce	
Adrienne Martin	
Amanda Edney	
Catherine Barnes	

Senior Management Team – Fitzwaryn School

S Coneboy	(Headteacher)
J Edwards	(Deputy Headteacher)
C Slatter	(Assistant Headteacher)
B Broomfield	(Head of Accreditation and Transition)

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

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Senior Management Team – Kingfisher School

A Edney	Headteacher
A Norris	Deputy Headteacher
K Downes	Phase Leader
N Famer	Phase Leader
H Tristram	Phase Leader
C Johnson	TA Manager

Propeller Academy Trust

C Barnes	Business Development Manager (BDM)
----------	------------------------------------

Company Name The Propeller Academy Trust

Principal and registered office

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

Company registered number

08340120 (England & Wales)

Independent auditors

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

Bankers

Lloyds Bank Plc, Ock Street, Abingdon, Oxon

Solicitors

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

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

**TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year from 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 special academies in Oxfordshire. Its academies have a combined pupil capacity of 159 (official pupil places as per EFA) and had a roll of 168 in the school census 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1 and 2.

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Both Fitzwaryn and Kingfisher Schools have bought into the government Risk Protection Agreement which provides for Governors liability to a limit of £5million.

Method of Recruitment and Appointment or Election of Governors

The Chair of Governors and Headteachers of the predecessor schools as of 1 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 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 PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Method of Recruitment and Appointment or Election of Trustees

The Company shall have the following Trustees:

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

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

As The Propeller Academy Trust continues to develop and mature, the need to recruit further independent Trustees with specific expertise continues to be a focus.

Policies and Procedures Adopted for the Induction and Training of Governors

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. This is ongoing training available to Directors. New governor induction workshops are available through Oxfordshire County Council and attendance is encouraged. The Chair of the Board has reviewed the Induction process and produced the following procedure:

Meeting the Clerk

Overview of the role of members and directors/governors

Board membership list

Copy of the Articles and articulate the legal responsibilities

Terms of reference of the Board

Board cycle of business and the different committees

Completion of forms such as Companies House, register of interest, personal details, data confidentiality form

Meeting the Chair (this happens before joining the Board)

How and why the Trust was established.

The vision of the Trust

Meeting the Business Development Manager (BDM)

Funding and statutory regulations

Policies of the Trust

Funding and financial responsibilities

Estates and property

Resources

Health & Safety and Safeguarding

Meeting the Heads/Principal

(not required for the School they represent on the Trust)

Over a 12 month period everyone should visit each school and the College and meet with the Head/Principal

Local vision

Education strategy and latest Ofsted report

If they are an external governor then they need to attend one LGB meeting.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

Additional:

Potential to serve on other committees
Identify training needs
Ensure skills utilised to add value to the Trust

Organisational Structure

The structure consists of four levels: the Board of Directors, Local Governing Bodies including a merged local governing body Finance Committee, Senior Leadership Team and members of staff. The vision of the Trust is an overarching vision which continues to evolve. 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. The Trust Board are asked to consider and discuss the attached schedule of activities with a view to agreeing:

1. The division of governance responsibilities between the Trust Board and the Local Governing Bodies (LGB)
2. The annual requirements for information on teaching, learning and assessment to be received by the Trust Board
3. That the schedule ensures that the LGBs fulfill their governance requirements in respect to strategic vision, continually improving quality standards, financial oversight and accountability, safeguarding, health and safety, equality and diversity, admissions procedures and holding the headteacher to account for the educational performance of the school, its pupils and the performance management of staff.

Directors have clarified the role and function of the Trust Board and have planned an annual schedule of Business.

1. The Trust Board will be focused on the strategic aims of The Propeller Academy Trust as set out in the Trust Vision Statement
2. The annual schedule of activity for the Trust Board and the LGB must ensure that all required Governance activity and criteria are met
3. The Propeller Academy Trust operates on a model whereby governance matters are delegated to the local governing body as set out in the scheme of delegation (attached)
4. There should be the minimum of duplication between LGB activity and reporting and Trust Board activity and reporting.

LGB Agendas

LGB Agendas are set by the LGB chair in conjunction with the Clerk and the Headteacher and must ensure that all the minimum criteria as per the attached scheduled, are covered throughout the annual cycle of meetings. Minutes of the FGB meetings are available to all Trust Board members. Directors in turn will report to the LGB meetings.

Merged Resources Sub - Committee agendas

The agenda is set by the Merged Resources Committee Chair in conjunction with the clerk. Agenda items are to be backed by written reports circulated with the agenda unless in an exceptional circumstance where the chair may agree to a verbal report of no more than 5 minutes.

Trust Board Agendas

Trust Board Agendas are set by the Trust Board Chair and the Clerk and must ensure that all the minimum criteria as per the schedule are covered throughout the annual cycle of meetings. In addition, the Trust Board Agendas should including the following standing reporting items:

1. Report from the chair of the joint finance committee
2. Reports from each of the Headteachers/Principal which will include a rag rated SDP/SEF as agreed at the trust board meeting on 18th November 2014
3. Report from the Business Manager which should incorporate position statements with regard to any outstanding risks in relation to Health and Safety, HR liabilities, policy update and Safeguarding.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Trust Board Agendas (continued)

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 continue to work together to produce Trust policies. On occasions a working party has been developed to review a specific policy, consisting of representation from both schools and their communities. The work in respect of the Media Policy remains 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. The Trust will also receive recommendations for any revision of the budget. A single multi academy trust budget is submitted to the EFA and was submitted before the deadline in July 2015. 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 schools' finances operate and this has been updated to reflect the merging of the two local governor finance committees into one.

The Headteachers have delegated responsibility for their individual school's activities including financial activities and each operates as the budget holder at this time, as guided by the local merged finance committee. 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 and at Fitzwaryn a Strategy and Performance Committee meets regularly. The continuation of the merging of the two finance committees into one has been approved and the financial manual of guidance has been updated to reflect this and is waiting for formal approval. Together with finance, this committee incorporates health and safety and premises matters. This committee receives budget monitoring from both schools and has improved transparency and scrutiny. Both schools operate a full local governing body committee which reports to the Propeller Academy Trust Finance Committee and / or Trustees Board.

During the period to which these accounts relate, Karyn Buck (Nov – Feb) and Stephanie Coneboy (Sept – Oct / March – current) have undertaken the role of Accounting Officer.

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

Fitzwaryn

The Leadership Team comprises the Headteacher, Deputy Headteacher, BDM, Assistant Headteacher and Senior Leader TLR.

Kingfisher

The Leadership Team comprises the Headteacher, Deputy Headteacher, BDM, 3 Phase Leaders and 1 TA Manager.

The Propeller Academy Trust support service incorporates the premises team, finance team, ICT and general administration, and continues to evolve and where a task can be undertaken with a Trust approach rather than at an individual school level, that response is pursued to ensure value for money and consistency. Having introduced a new finance database in September 2014, the Office Manager from Fitzwaryn, Finance Officer from Kingfisher and BDM continue to enhance expertise through training opportunities and day to day hands on experience to build a robust trust financial management service. The quarterly Responsible Officer audit has verified a continual improvement in financial management. The Finance Team have found the audit process to be a supportive learning mechanism contributing to the process of continual improvement. Key financial tasks and responsibilities are shared, but all finance staff are familiar with all operations to ensure business continuity in the event of absence of any one member. The ICT support team in each school works collaboratively to review ICT policies and procedure to ensure consistency across the Trust.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Trust Board Agendas (continued)

Kingfisher (continued)

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. The back room support services for the Trust continue to model the vision of collaborative working across the multi academy trust.

Related parties and other connected charities and organisations.

Kingfisher and Fitzwaryn Special Schools together with Abingdon & 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.

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."

Kingfisher and Fitzwaryn special schools together with Abingdon & Witney College have established a formal relationship through the creation of a multi-academy trust. The Propeller Academy Trust aims to provide outstanding provision from the age of 2 to 25 for children and young adults with special educational needs. It aims to provide a formal and supportive partnership whilst allowing all partners to maintain their independent and autonomous status, ethos and culture.

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

- The Directors of The PAT appointed a new Headteacher for Kingfisher School as from January 2015.
- A Director of The PAT was involved in the appointment of a new principle at Abingdon & Witney College.
- The Directors of The PAT supported the OFSTED inspection at both Kingfisher and Fitzwaryn Schools.
- A strategy paper was presented and agreed at The PAT board level (February 2015)

(Due to the nature of the extensive building work at the college, some of the planned work was unable to take place)

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Objectives, Strategies and Activities (continued)

Fitzwaryn

OFSTED inspectors graded the school "outstanding" in all categories in October 2014. Fitzwaryn has sustained this judgement in the last three inspections and therefore can confidently confirm it continues to provide an outstanding education for all pupils.

SDP priorities (under OFSTED 2014 framework)

Achievement

Developing robust systems for recording accurate pupil progress data for Post 16 and EYFS has been achieved. Staff continued to refine the pupil progress tracking systems to ensure accuracy. A revised 'BSquared' system was introduced to ensure up to date pupil progress information was evidenced.

An effective parent forum continued to hear and respond to parent views particularly in the light of SEND reform. Ways of further developing this continue to be explored.

Effective analysis of progress for vulnerable groups and pupil premium has been undertaken resulting in pupils making expected progress (or above).

Sports funding has been used effectively across the primary phase and has enhanced teaching and learning opportunities for all pupils.

Behaviour and Safety

Significant development has taken place in the outside area, reclaiming land that has been inaccessible owing to H&S issues. This area now provides a fully inclusive 'Forest Garden' further enhancing the sensory provision within the school.

A series of INSET opportunities were offered to staff on the direct relationship between sensory processing and behaviour, resulting in staff confidence and knowledge in this area being increased.

All risk assessment procedures including pupil risk assessments linked to behaviour plans have been reviewed during the year.

Team Teach training remains on a rolling programme

Leadership and Management

The role of the class teacher in relation to the management of teams was explored via staff meetings to further equip teaching staff to lead and manage their teams of support staff.

Roles and Responsibilities within the SLT were revised in light of new TLR post holder.
A new curriculum was introduced in September 2014.

Fitzwaryn became strategic partner within the Oxfordshire Teaching School Alliance, leading training for NQTs within the field of SEN

Discussions took place with various stakeholders to further enhance the provision at Fitzwaryn ensuring that all facilities are utilised to further develop all pupils.

A programme of training aimed at further enhancing the skills of the staff in terms of communication and language was planned and delivered.

In response to the OFSTED inspection's findings, the homework policy was revised and a homework booklet has been rolled out to parents.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Kingfisher

Kingfisher School was inspected by Ofsted in November 2014 and received the judgement of "Good" in all categories. This outcome confirmed the progress made and that Kingfisher was judged to be effective in delivering outcomes that provided well for all its pupils' needs and preparing them well for the next stage of their education, training or employment.

Further work to take on an ambitious range of new key priorities continued throughout the year and a core focus was on driving up the quality of teaching and ensuring that pupils were set aspirational academic goals particularly in mathematics, English and science.

The leadership team continued to develop to ensure that key priority areas received the focussed approach necessary to ensure that a positive impact was demonstrable.

Another key priority was to improve communication; not only effective communication within and around the school but also communication with key stakeholders, parents and the wider community.

With excellent Early Years and Sixth Form provision, the school continued to improve provision and developed relationships both within The Propeller Academy Trust and beyond.

Each child was set an aspirational set of academic goals, generated using past performance data and national progression guidance and to support this work each child had a Statement of Special Educational Need or a [new] Education, Health and Care Plan which was reviewed and up dated during the year.

In both schools, some pupils and students attended 'Guide posts', AAA and Beatbox – local youth clubs for children with learning difficulties. The OSLO in both schools worked 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 gave advice to the teachers for input into target setting. The schools both pride themselves on developing good relationships with parents and carers and were always trying to find further methods of improving the relationship. Parents were welcomed by the school as partners in their child's education

Pupil Premium

Kingfisher

£23,177 Pupil Premium funding received by Kingfisher in 2014/15 was used as a contribution towards the additional activities that we provided to enhance our curriculum offer. These activities focus on the specific and special needs of our children and young people, essentially in developing their motivation, their readiness for and engagement in their learning and in developing their communication and gross motor skills. It was also used to support children who require additional provision to minimise the barriers to learning that their social, emotional and behavioural needs create.

These included:

Soundabout– the provision of interactive musical and communication therapy where children engage in lively group music sessions designed to stimulate their interest and engagement.

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.

Rebound Therapy – we have trained staff to deliver a specialist physiotherapy which facilitates and promotes movement and balance; improved fitness and improved sensory integration.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

Visits to the community - as a regular part of our topics we visited our local community fostering interaction and social skills whilst also developing the independent living skills of our pupils and students

Fitzwaryn

Fitzwaryn received £24,776 pupil premium during the period September 2014 – August 2015. Pupils in receipt of FSM all made outstanding progress towards their end of key stage targets in English and maths. In science 2 FSM pupils did not make good or outstanding progress. They all made good or outstanding progress towards their end of key stage target in all other subjects.

The pupil premium money continued to support eligible pupils in the way that their class teacher deemed the most beneficial. This was in 1:1 intensive interaction sessions to improve communication, 1:1 support with aspects of literacy or numeracy, or counselling/therapy sessions for pupils experiencing emotional issues. The focus of the intervention varied over the year, but was given on a weekly basis over and above the support given to pupils during timetabled lessons.

Fitzwaryn use and impact of School Sport Funding £8,150

A comprehensive range of sport and PE sessions were already provided for all the children and in the school and Students in the Student Centre and all pupils took part in at least two hours of physical activity each week. The range of activities was varied and individualised to the needs of the students

Rebound therapy

Horse riding.

Swimming and hydrotherapy

A fitness room for all pupils

Adapted sports equipment to ensure inclusion for all students.

Participation in the Vale Schools Sports Partnership inter sport competitions, festivals and talent identification days.

Links with KAs – the Post 16 students joined their 6th form sport afternoon each week.

Participation in the WASPS partnership of schools primary after school events and competitions – Cross country, athletics, dance workshops, swimming gala.

Funding supported:-

Commonwealth Theme days

Saints Days with Dance, Sport, Cookery Art and Music.

Purchase of PE kit when representing the school.

Out of school club for Primary School aged pupils dance/games/fundamentals/agility eg Change 4

Employed a sports coach to work 1 day per week working with small groups or individual pupils across the age range. This was invaluable and all pupils in school were shown to have made progress in PE.

Kingfisher use and impact of School Sport Funding £8,160

By employing a specialist coach all pupils and students had an opportunity to participate in extra physical activity adapted to their needs. The sports ranged from multi-skills, fundamentals, boccia, tennis, cricket and team games. A regular lunchtime club was introduced and two students developed skills as sports leaders. Ten pupils and students took part in the cycling programme with two of them becoming confident to ride two wheeler bikes and all of them became more physically active for longer periods of time. Pupils and students took part in regular competition including the Oxfordshire Sainsbury School Games and staff were given specialist support to incorporate Sherborne Developmental Movement into their lessons and to lead Rebound Therapy sessions.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Work has been ongoing throughout the year to increase participation rates for our children in accessible physical activities and inclusive school sports, and further develop innovative and relevant curriculum opportunities for the physical development of our pupils. Further work has been ongoing to improve healthy lifestyles, and enhance our provision by developing positive working relationships with our partners within the Trust and our local community. *"Pupils' sports skills are improving due to additional funding that has enabled the school to join in with additional team sports with their partner academy and other schools. As a result pupils are developing healthy lifestyles because they are undertaking regular exercise. The school's large swimming pool is very well used so that many pupils learn to swim."* Ofsted Nov 2014

Variety of external clubs attended by pupils in both schools

Barnardos holiday/ASC
Fitzwaryn Summer Playscheme
AAA – Faringdon
Beatbox (Thursday)- wantage
D of E
Charlton School Before/ASC
Club at the Hub – Didcot
Camel (ASC-Stockham)
Sports Club
Karate Abingdon
Trampolining Ka's East
Drama/Dance club

Fitzwaryn Year 7 Catch up funding £1K

3 year 7 pupils, all made outstanding progress towards their maths and English KS3 targets. Year 7 catch up funding had been used to pay for inset training with Les Staves, for all staff, and an additional set of Numicon equipment for KS3. The combination of these has therefore had a good impact.

Kingfisher did not receive any year 7 Catch up funding

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 has 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.

STRATEGIC REPORT

Achievements and performance

Restructuring duties of the finance team continued throughout this period to enhance and improve the efficiency and effectiveness of the delivery of service to The PAT. Audit by the Responsible Officer confirmed continual improvement in processes and policy across the Trust together with commenting on the collaboration between the two schools; *"I am very pleased to note that the Finance staff are beginning to work together in certain areas, this is obviously a good practice for business continuity and training purposes."* May 2015.

The BDM had made the recommendation to move finance systems from SAP to a new provider PSFinancials as the functionality of SAP had become a concern. In the procurement exercise, the BDM secured an initial £3,500 reduction against the original quote for the new system and was successful with requesting a further £450 reduction to be able to place the order. The system was implemented in September 2014. OCC continued to upload the payroll into SAP and for the first three months whilst staff built knowledge of PSF, the BDM continued to access both systems, so as to continue to produce payroll budget monitoring from SAP accounting for approximately 88% of the budget.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Achievements and performance (continued)

During the period Sept 2014 – Aug 2015 OCC merged with Hampshire County Council and withdrew a variety of back office services previously offered to academies, payroll being one. The BDM worked as a member of the Oxfordshire Academies working party to procure a new payroll provider and moved payroll to Mouchel as of the 1st April 2015. The implementation of the service experienced difficulties as Mouchel encountered problems with its configuration of the Oxfordshire system, but despite this, The PAT finance team scrutinised the payroll reports, notified the provider of errors and monitored adjustments to ensure the most rigorous scrutiny of the payroll and accuracy during this period of difficulty. Further work was carried out to enable the new payroll reconciliation function of the Budget Planner System (BPS) to map directly to the payroll data to produce accurate payroll reconciliation reports identifying variance against the monthly budget allocation.

The inaugural Education Procurement Excellence Awards were held in June 2015 and the Oxfordshire Academies won the 'Best Collaborative Procurement 5+ Schools' category, confirming that the work and model of this working party had been outstanding, not only because it had been able to leverage some significant cost savings on behalf of all the Oxfordshire academies, but because the model of a 'working party' promoted the sharing of best practice, joint training and established a ready-made support network for one another.

Key Performance Indicators

Kingfisher School

In November 2014 Ofsted carried out an inspection and confirmed the judgment of "Good". £1,633,871 was received in pupil funding (£805,955 EFA, £827,915 LA top up). The special school environment demands a higher than average adult to pupil ratio and the complexity of medical, physical and learning difficulties of pupils at Kingfisher resulted in 86.7% of funding being spent on staffing. Ofsted confirmed *"Teaching over time in most subjects is consistently good. As a result, pupils make good progress in most subjects, including English and mathematics. The proportion of good teaching has increased this year because of effective training and rigorous checks by leaders. The pupils' attainment on entry is well below that expected for their age, because of their learning difficulties. However, progress across year groups in a wide range of subjects has improved and is consistently good and evidence shows that pupils achieve well. Inspection evidence and school information show that achievement in English and mathematics is good."*

£23,177 Pupil Premium was received between September 2014 and August 2015. Positive impact on the achievement of those children in receipt of the funding was confirmed by Ofsted; *"The progress of disadvantaged pupils is similar to, and sometimes better than, that of other pupils in the school so that gaps between pupils are closing."* Ofsted Nov 2014

Fitzwaryn School

In October 2014 Fitzwaryn School was inspected by Ofsted and judged to be Outstanding. £1,607,135 was received in pupil funding (£880,857 EFA & £726,278 LA top). The special school environment demands a higher than average adult to pupil ratio and as a result 85.2% of this funding supported staffing costs. Evidence to support that spending at this rate was appropriate was determined using the Self-Evaluation Framework together with the Ofsted outcome, evaluating the provision as "outstanding". *"Teaching is outstanding. Very well-planned and often exciting tasks engage pupils in exciting learning. Pupils across the school achieve outstandingly well in English. Progress in communication is of a very high quality because of skilled use of signs and symbols. More-able pupils make excellent progress in reading and writing. Pupils progress in mathematics is outstanding. Planned tasks are practical and challenging so that all groups achieve extremely well. Children get off to a positive start in the Reception class. They settle well and make outstanding progress during their time there. The sixth form is outstanding."* Ofsted Oct 2014

£24,776 Pupil Premium was received during September 2014 – August 2015. *"Disadvantaged pupils now achieve as well as their classmates in English and mathematics, and sometimes better. This is because the pupil premium is used very effectively to support them. Equality of opportunity is assured for all pupils, and there is no discrimination of any kind."* Ofsted 2014

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Key Performance Indicators (continued)

Kingfisher & Fitzwaryn EFA Condition Improvement Fund Grant

In March 2015 the BDM put forward an application to the Condition Improvement Fund on behalf of both Fitzwaryn School and Kingfisher School for roof replacement and refurbishment. The aims of the projects were:

- To enable pupils to work in an area free from internal water leaks
- Make the building fit for purpose as required by the Workplace health, safety and welfare Regulations.
- To address **urgent** condition needs and prevent further damage to roof structure and internal fabric of the building.
- The works would safeguard the school from further damage and prevent ongoing water leaks and internal damage.

The application was successful in both schools. Kingfisher received £255,841 and Fitzwaryn £221,840. Work began in July 2015 and has continued into the new financial year.

Going Concern

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

The implementation by the local authority of a flat-rate per pupil top up remains a concern for future financial sustainability and delivery of service across the Trust. In February 2015, the Directors commissioned an external consultant to report on the provision at Kingfisher and whether there was a more cost effective staffing model that could be implemented at the same time as sustaining successful outcomes for pupils in terms of education and health and safety. An in year budget was submitted to the EFA in July 2015. Staff on temporary contracts were not replaced at Kingfisher School. A new model of staffing and class structure was prepared ready for implementation for September 2015.

FINANCIAL REVIEW

Directors had met with representatives of the local authority concerning the LA's request for Kingfisher to take extra pupils on roll from 1st September 2014 and any prospects of additional funding for doing so. With the extra staff needed, the corollary was that the LA would provide additional funding to support this, albeit that the timescale for introducing the new class was very tight. Successful appointments of teachers and teaching assistants had been made to support the new class arrangements and in the meantime, supply staff were meeting current vacant positions. The 10 class model demonstrated that the school's budget would balance for the current year and for most of the next academic year.

Opportunities to make savings on staffing were grasped whenever presented and at Fitzwaryn pupil numbers in the student centre allowed for a restructuring of the student provision, whereby a teacher on maternity leave was not replaced bringing approximately £15K savings to the budget. Retirement of the caretaker at Kingfisher allowed for a remodeling of the premises staff to develop a trust wide approach to Premises management.

The statement process and Individual Education Plans and the changing needs of the pupils have identified extra resources required to support individual learning and in December eye gaze (£4K) was purchased at Kingfisher which has made significant positive impact on communication outcomes for a number of pupils.

Directors have agreed that a minimum of one month's payroll must be held in reserve, a total of approximately £200,000.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW (continued)

An Investment Policy has been under review and confirms the following:

The Propeller Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the School aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The School does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Objectives

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

Reserves Policy

The Propeller Academy Trust has a Reserves Policy in place and has determined that a minimum of one month's salary must be kept in reserve (£215,512).

Having established a working party of a variety of stakeholders, Fitzwaryn ringfenced a contingency of £100K for playground development. Within that allocation, £25K was spent on levelling the EYFS playground. Outcomes for pupils increased significantly as a result, as pupils in an early stage of learning to walk were now provided with a resource fit for purpose. An area of waste ground was identified for redevelopment. Previously unused because of H&S concerns, this area was redeveloped (circa £30,000) to create a fully inclusive Forest school garden resource.

The risk of a fall in income owing to a fall in pupil numbers remained a minimal risk as Oxfordshire continued to have a shortage of pupil places.

At 31 August 2015 the total funds comprised:

Unrestricted	£125,856
Restricted:	
Fixed asset funds	£13,499,338
GAG	£127,028
Pension reserve	£(1,546,000)
Other	£324,695
	<u>£12,530,917</u>

Investment Policy

The PAT has held £562,035 at close down of accounts in August 2014. £100,000 was ringfenced in Fitzwaryn's new budget to support a playground project and £50,000 ringfenced to support Kingfisher's new budget.

The Directors are careful with the public money entrusted to them and are aware of the potential to invest any surplus money that is not required to cover anticipated expenditure; however, no investments have been made or held outside of the main bank account. Discussion has been held as to transferring the amount determined for Reserves to a higher investment account, however it was agreed this would need to be an account with immediate access ie no notification period for transfer of funds, it would also need to be free of any associated risks. The importance of maintaining adequate cash balances to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day-to-day expenses is clearly understood and adhered to. A monthly cash flow report is produced to ensure spending is kept in line with monthly income / expenditure and any in month deficit has been scrutinised by The PAT finance committee.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Investment Policy (continued)

The Investment Policy reflects the objective that any surplus funds will be invested well to achieve the best financial return with the minimum risk. This will become ever more important as the funding position continues to be of concern, however the policy also reminds that a certain degree of risk is associated with all investments and that trustees must do all they can to manage risk levels. The financial climate has forced Directors to consider the level of risk they are able to accept and the policy reflects that an investment could be considered that might in a worst case result in a low return on the original investment, no investment could be considered that had the potential to lose money.

Principal Risks and Uncertainties

The Propeller Academy Trust continued to review the Risk Register using the Financial Directors Forum Exececye 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 – The financial risk remains: *“Insufficient funds to deliver services to the appropriate level due to a change in funding, government policy or sponsor deficiency. The Academy no longer has the funds required to maintain an appropriate level of service to the staff, students, governors, parents or regulatory bodies.”*

A further high level risk was identified: *“The amount of funds available for contingency are inadequate to cover requirements. Budgetary pressure will require cutbacks and may lead to under investment and/or reduction in services.”* A strategic response was made to mitigate this risk, temporary contracts were not renewed and a remodelling of staffing and classroom structure was developed for September 2015. An in year budget was submitted to the EFA in July 2015.

Performance Risk - that *“there are insufficient staff or resources to deliver services to the appropriate level”*. The specialist nature of the provision and opening of an extra class did maintain a medium risk. Recruitment through placing an advert did not recruit sufficient staffing, however a successful relationship with a supply agency understanding requirements did result in several long term teaching posts being filled bringing consistency and improved outcomes for pupils, mitigating the risk to low during the year.

Reputational Risk - Ofsted inspections in October confirmed an “Outstanding” quality of provision and outcomes for pupils at Fitzwaryn and in November 2014, an inspection confirmed a “Good” quality of provision and outcomes for pupils at Kingfisher. The reputations of both schools have been enhanced and the risk mitigated to low.

Policies and other key documents are linked to the individual risks within the register and continue to support 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 at an outstanding level (May 2015).

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Principal Risks and Uncertainties (continued)

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
- 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.

Following the Strategic review of the Directors in February 2015, the BDM was asked to submit a regular report to Directors identifying issues that had arisen with a medium or high element of risk. Standing items in the report were: Financial, Human Resources, Safeguarding, Health & Safety, Racial incidents, Complaints, grievances, Policy reviews and updates.

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 the Board of Directors.

PLANS FOR FUTURE PERIODS

Kingfisher

Agreement has been reached with the LA for a modular build (in place by Sept 2016) to establish a specialist base to accommodate 9 additional pupils. Although LA funded, the project will be managed by The PAT.

To generate additional income from out of hours swimming in order to raise capital to upgrade facilities in the hydrotherapy pool – a valuable resource in terms of outcomes for pupils.

To source funding to install a sunken trampoline to provide “Rebound Therapy” known to be of excellent value to pupil outcomes.

To source funding 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.

Fitzwaryn

Funding and Provision

Agreement has been reached with the LA to convert the existing art room into a classroom for one year to accommodate 9 additional pupils whilst a two class modular build is installed to accommodate 18 additional pupils. Although LA funded, the project will be managed by The PAT.

The overall objective remains to continue to provide outstanding teaching and learning across the school.

To continue to develop the outside area as a resource to provide learning, physical and social opportunities for all pupils.

To develop a Capital Build 1 – 2 /3 – 5 year plan in place, identifying possible funding streams as well as proceeding with self-financed outdoor learning project.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held on behalf of others

AUDITOR

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2015 and signed on the board's behalf by:

Karyn Buck
Chair of Trustees

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 **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 **6** 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
Karyn Buck (Chairman)	5	6
Barry Taylor	6	6
Teresa Kelly	2	6
Terry Stock	5	6
Adrienne Martin HT	3	3
Paul McCongahy	4	5
Samantha Bamford	3	3
Stephanie Coneboy (HT & Accounting Officer)	6	6
Amanda Edney HT	3	3
Julian Rideout	5	5
Sam Jackson	4	6
Pat Hudson	5	6

New Headteacher at Kingfisher in Jan 2015. Two new parent trustees Nov 2014 and Feb 2015. One resignation as of July 2015.

The Propeller Academy Trust Board of Directors has not undertaken a self-evaluation and skills audit, but has this tabled on the next agenda 3rd December 2015. Both local governing bodies have undertaken self-evaluation during the year and 6 Directors have been part of this review at the local level. So, whilst the Board has not done a formal governance review or skills analysis, those bodies reporting to it and the Directors who formed the majority of the Board in the last year, have been subject to reviews and skills analysis.

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

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The **finance committee** is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of The Propeller Academy Trust, by enabling more detailed consideration to be given to the best means of fulfilling the Trusts responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. It makes appropriate comments and recommendations on all matters related to the above to The Propeller Academy Trust on a termly basis ie minimum of three times a year.

Major issues will be referred to the full Propeller Academy Trust Board of directors for ratification.

The **audit committee** is also a sub-committee of the main board of trustees. Its purpose is to ensure that there are adequate controls in place to protect the assets they hold and demonstrate that they have taken adequate steps to regularly monitor the financial controls operating at the academy.

The Finance Committee meetings were held on the same evening as the Audit Committee with the same attendance, the data below reflects attendance at both meetings.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Barry Taylor	3	3
Terry Stock	3	3
Adrienne Martin HT	3	3
Pat Hudson	3	3
Stephanie Coneboy (HT & Accounting Officer)	3	3
Amanda Edney HT	2	2
Julian Rideout	2	3

REVIEW OF VALUE FOR MONEY

As accounting office Stephanie Coneboy has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

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

Oxfordshire Academy Network has resulted in the sharing of best practice, enabling 70 schools to join together to create significant buying powers. The use of a procurement company and a working party have benefitted the process.

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

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Following the announcement that OCC was moving to Hampshire for back office provision, including payroll, the trust sought to investigate an alternative provider. Once again, a collaborative approach was adopted and a price based on the number of academies selecting a particular provider was financially beneficial. It was evident that if carried out as a single Academy Trust it would have been very time consuming and would not have provided value for money.

The continuation of the merged finance committee has resulted in increased scrutiny, debate, time management efficiencies, and has removed the unnecessary duplication of meetings.

The Implementation of PS Financials during this year has resulted in a more efficient system. Members of staff from both schools know all the processes and have formed an effective PAT finance team. The detailed visits from the RO audit details continual 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 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 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 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 the Local Authority as Responsible Officer ('RO').

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

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On a quarterly basis the RO reports to the board of trustees, through the Merged Finance Committee and Finance & General Purposes Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Visits

Fitzwaryn	Kingfisher	
October 2014	Nov / Dec 2014	Reviewing April - August 2014
April 2015	April 2015	Reviewing Sept – Dec 2014
June 2015	June 2015	Reviewing Jan – April 2015
Nov 2015	Nov 2015	Reviewing May – Aug 2015

The Propeller Academy Trust can confirm that the RO has delivered their schedule of work as planned. There were no high risk material control issues arising as a result of the RO audit. Recommendations were received for further continual improvement to processes and procedures all of which have been actioned such as installation of a safe at Fitzwaryn. The implementation of new finance system caused disruption to routinely produced budget monitoring, payroll reconciliation and bank reconciliation processes for a period of three months, but routine processes are securely reinstated.

REVIEW OF EFFECTIVENESS

As Accounting Officer the Stephanie Coneboy has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the work of the responsible officer and the work of the external auditor;

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 and has been able to provide an independent assurance report to the Academy's Governing Body on the adequacy and effectiveness of the financial control environment operating within the academy and an independent oversight of the academy's financial affairs in line with requirements contained the Academies Financial Handbook utilising the reports from the RO.

The Accounting Officer has received a report summarising the conclusions identified in each of the audited areas, together with an overall opinion on the level of assurance gained. Where weaknesses in the system of internal control have been identified, recommendations for improvements have been made. Recommended actions for improvement have been implemented within three months of the date of each report. No areas of weakness were identified, all recommendations were in line with continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2015 and signed on its behalf by:

Karyn Buck
Chair of Trustees

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 2015**

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 for Education. 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.

Stephanie Coneboy
Accounting officer

14 December 2015

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 14 December 2015 and signed on its behalf by:

.....
Mrs K Buck
Chair of Trustees

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PROPELLER ACADEMY TRUST

We have audited the financial statements of The Propeller Academy Trust for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 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 MEMBERS 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

17 December 2015

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 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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 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)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

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

17 December 2015

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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	23,430	-	-	23,430	51,245
Activities for generating funds	3	65,204	-	-	65,204	35,374
Investment income	4	1,034	-	-	1,034	815
Incoming resources from charitable activities	5	-	3,413,484	503,877	3,917,361	3,546,503
TOTAL INCOMING RESOURCES		89,668	3,413,484	503,877	4,007,029	3,633,937
RESOURCES EXPENDED						
Charitable activities	7	47,120	3,448,909	221,696	3,717,725	3,573,424
Governance costs	8	-	14,439	-	14,439	14,526
TOTAL RESOURCES EXPENDED	6	47,120	3,463,348	221,696	3,732,164	3,587,950
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		42,548	(49,864)	282,181	274,865	45,987
Transfers between funds	17	-	(79,140)	79,140	-	-
NET INCOME FOR THE YEAR		42,548	(129,004)	361,321	274,865	45,987
Actuarial gains and losses on defined benefit pension schemes		-	(34,000)	-	(34,000)	(303,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		42,548	(163,004)	361,321	240,865	(257,013)
<i>Total funds 1 September 2014</i>		<i>83,308</i>	<i>(931,273)</i>	<i>13,138,017</i>	<i>12,290,052</i>	<i>12,547,065</i>
TOTAL FUNDS 31 AUGUST 2015		125,856	(1,094,277)	13,499,338	12,530,917	12,290,052

All activities relate to continuing operations.

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

The notes on pages 31 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		13,287,950		13,076,855
CURRENT ASSETS					
Debtors	15	82,004		122,864	
Cash at bank and in hand		1,009,852		729,250	
			<u>1,091,856</u>	<u>852,114</u>	
CREDITORS: amounts falling due within one year	16	(302,889)		(228,917)	
NET CURRENT ASSETS			788,967		623,197
TOTAL ASSETS LESS CURRENT LIABILITIES			14,076,917		13,700,052
Defined benefit pension scheme liability	23		(1,546,000)		(1,410,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			12,530,917		12,290,052
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	451,723		478,727	
Restricted fixed asset funds	17	13,499,338		13,138,017	
			<u>13,951,061</u>	<u>13,616,744</u>	
Restricted funds excluding pension liability			13,951,061	13,616,744	
Pension reserve		(1,546,000)		(1,410,000)	
Total restricted funds			12,405,061		12,206,744
Unrestricted funds	17		125,856		83,308
TOTAL FUNDS			12,530,917		12,290,052

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:

.....
Mrs K Buck
Chair of Trustees

The notes on pages 31 to 51 form part of these financial statements.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	208,482	184,868
Returns on investments and servicing of finance	20	1,034	815
Capital expenditure and financial investment	20	71,086	41,005
INCREASE IN CASH IN THE YEAR		<u>280,602</u>	<u>226,688</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	<u>280,602</u>	<u>226,688</u>
MOVEMENT IN NET FUNDS IN THE YEAR	280,602	226,688
Net funds at 1 September 2014	<u>729,250</u>	<u>502,562</u>
NET FUNDS AT 31 AUGUST 2015	<u>1,009,852</u>	<u>729,250</u>

The notes on pages 31 to 51 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 2015

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 2014 to 2015 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 with restrictions imposed 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 2015

1. ACCOUNTING POLICIES (continued)

Incoming resources (continued)

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

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.

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 2015

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.

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.

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.

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 provided at rates calculated to write off the cost of fixed 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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.

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 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations	23,430	-	23,430	51,245

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Income from facilities	42,661	-	42,661	14,947
School clubs	6,958	-	6,958	7,304
Catering income	15,585	-	15,585	13,123
	<u>65,204</u>	<u>-</u>	<u>65,204</u>	<u>35,374</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Bank interest receivable	1,034	-	1,034	815

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,684,605	1,684,605	1,861,408
EFA start up grant A	-	-	-	6,808
Pupil premium	-	47,555	47,555	38,187
16 - 19 bursary	-	5,808	5,808	4,991
Other EFA revenue grants	-	29,560	29,560	20,790
EFA capital grants	-	490,865	490,865	176,047
	-	2,258,393	2,258,393	2,108,231
Other government grants				
SEN income	-	1,541,518	1,541,518	1,350,651
Other LA income	-	60,414	60,414	83,962
	-	1,601,932	1,601,932	1,434,613
Other funding				
Trip income	-	3,084	3,084	3,659
Other income	-	53,952	53,952	-
	-	57,036	57,036	3,659
	-	3,917,361	3,917,361	3,546,503

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	<i>Total</i>
	2015	2015	2015	2015	2014
	£	£	£	£	£
Direct costs	2,571,254	185,460	198,663	2,955,377	2,776,568
Support costs	346,167	276,189	139,992	762,348	796,856
Charitable activities	2,917,421	461,649	338,655	3,717,725	3,573,424
Governance	-	-	14,439	14,439	14,526
	2,917,421	461,649	353,094	3,732,164	3,587,950

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the Academy Trust	92	-	None

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,571,254	2,391,914
Depreciation	221,696	207,442
Travel and subsistence	3,726	1,445
Staff training	29,669	28,328
Educational supplies	23,300	51,925
School trip expenditure	49,269	44,603
ICT learning resources	39,808	31,622
Examination fees	1,206	1,152
Professional fees	15,449	18,137
	<u>2,955,377</u>	<u>2,776,568</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	346,167	314,440
Pension finance cost	32,000	34,000
Travel and subsistence	2,767	3,681
Professional fees	24,754	41,536
Other staff costs	3,051	15,144
Maintenance	98,501	98,870
Cleaning	58,084	56,653
Water and sewerage	9,066	11,702
Energy	60,040	49,594
Waste disposal	5,919	6,318
Other occupation costs	18,535	42,171
Catering	46,022	34,991
Premises insurance	29,383	57,654
Administrative supplies	27,841	30,102
Bank charges	218	-
	<u>762,348</u>	<u>796,856</u>
	<u><u>3,717,725</u></u>	<u><u>3,573,424</u></u>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Auditors' remuneration	-	7,725	7,725	7,001
Auditors' non audit costs	-	6,714	6,714	7,525
	<u>-</u>	<u>14,439</u>	<u>14,439</u>	<u>14,526</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	221,696	207,442
Auditors' remuneration	7,725	7,001
Auditors' remuneration - non-audit	6,714	7,525
Operating lease rentals:		
- other operating leases	4,677	2,775
	<u>4,677</u>	<u>2,775</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,297,257	2,218,281
Social security costs	133,084	126,962
Other pension costs (Note 23)	395,126	348,755
	<u>2,825,467</u>	<u>2,693,998</u>
Supply teacher costs	91,954	12,356
	<u>2,917,421</u>	<u>2,706,354</u>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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:

	2015	<i>2014</i>
	No.	<i>No.</i>
Teachers and teaching assistants	66	<i>67</i>
Administration and support	13	<i>13</i>
Management	7	<i>7</i>
	86	<i>87</i>

c. Higher paid staff

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

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	0	<i>2</i>
In the band £70,001 - £80,000	1	<i>0</i>

The above employee participated in the Teachers' Pension Scheme. During the year to 31 August 2015, pension contributions amounted to £9,964 (2014: £18,572).

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2015	<i>2014</i>
		£	<i>£</i>
S Coneboy	Remuneration	70,000-75,000	<i>65,000-70,000</i>
	Employer's pension contributions	5,000-10,000	<i>5,000-10,000</i>
A Edney	Remuneration	35,000-40,000	
	Employer's pension contributions	0	
A Martin	Remuneration	20,000-25,000	<i>60,000-65,000</i>
	Employer's pension contributions	0-5,000	<i>5,000-10,000</i>

During the year ended 31 August 2015, expenses totalling £483 (2014 - £NIL) were reimbursed to 2 Trustees (2014 - no trustees).

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. 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 period ended 31 January 2015 was £1,015 (2014 - £2,435). The cost of this insurance is included in the total insurance cost.

The Academy Trust entered into the Department for Education's Risk Protection Arrangement on 1 February 2015. This protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This provides cover up to £5,000,000 for each and every loss and in the aggregate per Academy whose Academy trust is a member. The cost for this is not separately identifiable.

13. PENSION FINANCE COST

	2015 £	2014 £
Expected return on pension scheme assets	81,000	68,000
Interest on pension scheme liabilities	(113,000)	(102,000)
	(32,000)	(34,000)
	(32,000)	(34,000)

14. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	13,281,021	86,816	25,333	13,393,170
Additions	292,488	119,234	21,069	432,791
At 31 August 2015	13,573,509	206,050	46,402	13,825,961
Depreciation				
At 1 September 2014	291,505	15,103	9,707	316,315
Charge for the year	185,460	25,349	10,887	221,696
At 31 August 2015	476,965	40,452	20,594	538,011
Net book value				
At 31 August 2015	13,096,544	165,598	25,808	13,287,950
At 31 August 2014	12,989,516	71,713	15,626	13,076,855

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS (continued)

The Academy Trust's transactions relating to land and buildings included:

- roof refurbishment works at both Kingfisher School and Fitzwaryn School at a value of £292,488.

15. DEBTORS

	2015	2014
	£	£
Trade debtors	25,851	-
Other debtors	2,245	47,054
Prepayments and accrued income	53,908	75,810
	82,004	122,864

16. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	26,905	5,076
Other taxation and social security	40,828	35,082
Other creditors	46,318	42,649
Accruals and deferred income	188,838	146,110
	302,889	228,917

Deferred income

Deferred income at 1 September 2014		61,421
Resources deferred during the year		19,482
Amounts released from previous years		(61,421)
		19,482

Deferred income comprises grants received in advance relating to universal infant free school meals and pupil support.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted fund	83,308	89,668	(47,120)	-	-	125,856
Restricted funds						
General annual grant (GAG)	154,032	1,684,605	(1,632,469)	(79,140)	-	127,028
Funds from predecessor school	324,695	-	-	-	-	324,695
Pupil premium	-	47,555	(47,555)	-	-	-
Other DfE/EFA grants	-	35,368	(35,368)	-	-	-
SEN income	-	1,541,518	(1,541,518)	-	-	-
Other Local Authority income	-	47,402	(47,402)	-	-	-
Other restricted income	-	57,036	(57,036)	-	-	-
Pension reserve	(1,410,000)	-	(102,000)	-	(34,000)	(1,546,000)
	<u>(931,273)</u>	<u>3,413,484</u>	<u>(3,463,348)</u>	<u>(79,140)</u>	<u>(34,000)</u>	<u>(1,094,277)</u>
Restricted fixed asset funds						
Fixed asset fund	13,076,855	-	(221,696)	432,791	-	13,287,950
LA capital grant	-	26,196	-	-	-	26,196
EFA/DfE capital grants	61,162	477,681	-	(353,651)	-	185,192
	<u>13,138,017</u>	<u>503,877</u>	<u>(221,696)</u>	<u>79,140</u>	<u>-</u>	<u>13,499,338</u>
Total restricted funds	<u>12,206,744</u>	<u>3,917,361</u>	<u>(3,685,044)</u>	<u>-</u>	<u>(34,000)</u>	<u>12,405,061</u>
Total of funds	<u><u>12,290,052</u></u>	<u><u>4,007,029</u></u>	<u><u>(3,732,164)</u></u>	<u><u>-</u></u>	<u><u>(34,000)</u></u>	<u><u>12,530,917</u></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 schools 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 2015

17. STATEMENT OF FUNDS (continued)

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

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

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 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Fitzwaryn School	385,159
Kingfisher School	192,420
	577,579
Total funds before fixed asset fund and pension reserve	577,579
Restricted fixed asset fund	13,499,338
Pension reserve	(1,546,000)
	12,530,917
Total	12,530,917

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 depreciatio n £	Total £
Fitzwaryn School	1,239,813	185,187	98,603	201,682	1,725,285
Kingfisher School	1,331,441	160,980	63,824	228,938	1,785,183
	2,571,254	346,167	162,427	430,620	3,510,468
	2,571,254	346,167	162,427	430,620	3,510,468

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	13,287,950	13,287,950	13,076,856
Current assets	125,856	754,612	211,388	1,091,856	852,114
Creditors due within one year	-	(302,889)	-	(302,889)	(228,918)
Pension liability	-	(1,546,000)	-	(1,546,000)	(1,410,000)
	<u>125,856</u>	<u>(1,094,277)</u>	<u>13,499,338</u>	<u>12,530,917</u>	<u>12,290,052</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	274,865	45,987
Returns on investments and servicing of finance	(1,034)	(815)
Depreciation of tangible fixed assets	221,696	207,442
Capital grants	(503,877)	(192,872)
Decrease/(increase) in debtors	40,860	(49,876)
Increase in creditors	73,972	106,002
FRS 17 adjustments	102,000	69,000
Net cash inflow from operations	<u>208,482</u>	<u>184,868</u>

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,034	815
	<u>1,034</u>	<u>815</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(432,791)	(151,867)
Capital grants	503,877	192,872
Net cash inflow capital expenditure	<u>71,086</u>	<u>41,005</u>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	729,250	280,602	-	1,009,852
Net funds	729,250	280,602	-	1,009,852

22. CAPITAL COMMITMENTS

At 31 August 2015 the Academy Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	177,900	-

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 £34,064 were payable to the scheme at 31 August 2015 (2014 - £34,356) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £129,141 (2014: £135,277).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £254,000, of which employer's contributions totalled £193,000 and employees' contributions totalled £61,000. 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 PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

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 2015 %	Fair value at 31 August 2015 £	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	7.10	1,017,000	6.70	905,000
Gilts	2.60	189,000	3.00	123,000
Bonds	3.40	53,000	3.60	82,000
Property	6.00	106,000	5.90	81,000
Cash	2.30	49,000	2.90	57,000
Alternative assets	6.50	125,000	6.70	23,000
Total market value of assets		<u>1,539,000</u>		<u>1,271,000</u>
Present value of scheme liabilities		<u>(3,085,000)</u>		<u>(2,681,000)</u>
Deficit in the scheme		<u><u>(1,546,000)</u></u>		<u><u>(1,410,000)</u></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.

The actual return on scheme assets was £47,000 (2014: £119,000).

The amounts recognised in the Balance Sheet are as follows:

	2015 £	<i>2014 £</i>
Present value of funded obligations	(3,085,000)	<i>(2,681,000)</i>
Fair value of scheme assets	1,539,000	<i>1,271,000</i>
Net liability	<u><u>(1,546,000)</u></u>	<u><u>(1,410,000)</u></u>

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

	2015 £	<i>2014 £</i>
Current service cost	(263,000)	<i>(216,000)</i>
Interest on obligation	(113,000)	<i>(102,000)</i>
Expected return on scheme assets	81,000	<i>68,000</i>
Total	<u><u>(295,000)</u></u>	<u><u>(250,000)</u></u>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

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

	2015	<i>2014</i>
	£	£
Opening defined benefit obligation	2,681,000	<i>2,053,000</i>
Current service cost	263,000	<i>216,000</i>
Interest cost	113,000	<i>102,000</i>
Contributions by scheme participants	61,000	<i>55,000</i>
Actuarial losses	-	<i>269,000</i>
Benefits paid	(33,000)	<i>(14,000)</i>
	<hr/>	<hr/>
Closing defined benefit obligation	3,085,000	<i>2,681,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	<i>2014</i>
	£	£
Opening fair value of scheme assets	1,271,000	<i>1,015,000</i>
Expected return on assets	81,000	<i>68,000</i>
Actuarial gains and (losses)	(34,000)	<i>(34,000)</i>
Contributions by employer	193,000	<i>181,000</i>
Contributions by employees	61,000	<i>55,000</i>
Benefits paid	(33,000)	<i>(14,000)</i>
	<hr/>	<hr/>
	1,539,000	<i>1,271,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities since the adoption of FRS17 was £524,000 (2014 - £490,000).

The Academy Trust expects to contribute £195,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015	<i>2014</i>
Equities	66.00 %	<i>71.00 %</i>
Gilts	12.00 %	<i>10.00 %</i>
Bonds	3.00 %	<i>6.00 %</i>
Property	7.00 %	<i>6.00 %</i>
Cash	3.00 %	<i>5.00 %</i>
Alternative assets	4.50 %	<i>2.00 %</i>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	23.3	23.2
Females	25.7	25.5
Retiring in 20 years		
Males	25.5	25.4
Females	28.0	27.9

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
RPI Increases	3.60 %	3.50 %

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

Defined benefit pension schemes

	2015	2014	2013	2012
	£	£	£	£
Defined benefit obligation	(3,085,000)	(2,681,000)	(2,053,000)	(1,643,000)
Scheme assets	1,539,000	1,271,000	1,015,000	817,000
Deficit	(1,546,000)	(1,410,000)	(1,038,000)	(826,000)
Experience adjustments on scheme liabilities	-	(191,000)	-	-
Experience adjustments on scheme assets	(34,000)	(34,000)	45,000	-

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	-	241
Between 2 and 5 years	4,915	1,952
	<u><u> </u></u>	<u><u> </u></u>

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 11, there were no related party transactions.

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.