

**Company Registration Number: 08340120 (England & Wales)**

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Diana Batchelor Paul McConaghy Terry Stock
<b>Trustees</b>	Gay Campbell, Chair Barbara Harker Samuel Wolfe (resigned 16 May 2019) Marion Tighe (resigned 16 May 2019) Christina Doubleday (resigned 19 May 2019) Paula Bolton (appointed 4 July 2019) Timothy Hodgson (appointed 4 July 2019) Davina McKay (appointed 16 May 2019)
<b>Company registered number</b>	08340120
<b>Company name</b>	The Propeller Academy Trust
<b>Principal and registered office</b>	Fitzwaryn School Denchworth Road Wantage Oxon OX12 9ET
<b>Company secretary</b>	Tracey Stratton
<b>Chief operations officer</b>	Tracey Stratton
<b>Senior management team</b>	Fitzwaryn School  Stephanie Coneboy, Headteacher and Accounting Officer Jane Edwards, Deputy Headteacher Chris Slatter, Assistant Headteacher Rebecca Broomfield, Head of Accreditation and Transition  Kingfisher School  Lorraine Wilson, Headteacher Kate Downes, Deputy Headteacher Lorraine Green, Assistant Headteacher Nicki Farmer, Head of Accreditation and Transition
<b>Independent auditors</b>	James Cowper Kreston 2 Communications Road Greenham Business Park Greenham Newbury Berkshire RG19 6AB

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Bankers**                      Lloyds Bank plc  
8 Ock Street  
Abingdon  
OX14 5AP

**Solicitors**                      Knights plc  
Midland House  
Westway  
Oxford  
OX2 0PH

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS REPORT**

The Directors present their annual report together with the audited financial statements of The Propeller Academy Trust (Company number 08340120 'the charitable company') for the period 31 August 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy, which was incorporated on 21<sup>st</sup> December 2013 and opened as an Academy on 1<sup>st</sup> February 2013, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

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

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

The Trust operates 2 special schools in South Oxfordshire, in Abingdon and Wantage. Its academies have a combined pupil capacity of 212 as at 1/9/2019. In the previous 12 months, we have seen an increase of 20 pupils due to successful internal expansion. (The October census of 2018, declared 192 pupils on roll. The roll is set to remain at 212 for the 19/20 academic year, with further waiting lists and one additional identified for future growth.

**Members' Liability**

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

**Directors' Indemnities**

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

**Principal Activities**

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

**Method of Recruitment and Appointment or Election of Directors**

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

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

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

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

When appointing new Directors, The Trust will give consideration to the skills and experience of existing Directors in order to ensure the Trust has the necessary skills to contribute fully to the Academy's development. This has seen the inclusion of Education, Legal, Accountancy, IT and Risk specialists. The Trust has successfully established a relationship with Academy Ambassadors in this Academic year to ensure the strength and the quality of the Board remains focused and skills led. We are currently recruiting HR and change management specialists and seeking to further expand the Board in the coming year.

**Policies and Procedures Adopted for the Induction and Training of Directors**

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of schools within the Trust and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors in both company and charity law. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

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

**Organisational Structure**

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

There are 3 Committees of the Trust Body as follows:

- Local Governing Body - Kingfisher
- Local Governing Body – Fitzwaryn
- Pay Committee – The Trust

Audit and Finance are currently integrated into the main board meetings to ensure new Directors understand all areas, in 2019/20 this will be separated as required by the Academies Financial Handbook.

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

The following decisions are reserved to the full Trust Board:

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

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

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

#### **Risk Management**

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

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

#### **Arrangements for setting pay and remuneration of key management personnel**

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

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

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**Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as:	0
$(\text{total cost of facility time} \div \text{total pay bill}) \times 100$	0

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	0
$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$	0

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



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**Connected Organisations, including Related Party Relationships**

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

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

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

The aims of the Trust during the period ended 31 August 2019 (in no priority order) are summarised below:

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

**Objectives, Strategies and Activities**

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

The main activities of the Academy for the period ended 31 August 2019 were as follows:

**Leadership and Management**

- Both Schools successfully opened new 6<sup>th</sup> form facilities with an investment of over £1 million
- Both Schools continue to focus on excellent facilities and experiences for children
- Both Schools received positive Ofsted reports with strong curriculum offerings
- The Trust has successfully commenced a program of sponsorship actively
- The Trust has taken steps to meet all compliance requirements
- The Trust has reviewed in detail its strategic direction and growth, with a clear option for execution in 2019/2020
- Both schools individually remain financially viable, whilst providing a good education and value for money
- Both schools have strong parental and stakeholder engagement
- Both schools have strong succession planning and capacity and utility has been well managed in the period of expansion

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

**Fitzwaryn**

**Year 11**

**1 Pupil**

ASDAN Personal Development Gold Award

ASDAN PSD award

**Destination**

Fitzwaryn Student Centre

**Year 14**

**5 Pupils**

5 Pupils followed NOCN Pathways to Adulthood Study Programme

2 Pupils achieved Entry Level 1 NOCN Diploma in Independent Living

2 Pupils achieved Entry Level 2 NOCN Diploma in Independent Living

1 Pupil achieved NOCN Personal Progress Entry Level

**Destinations**

2 Pupils went to Abingdon and Witney College Witney Campus

1 Pupils went to Abingdon and Witney College Abingdon Campus

1 Pupil went to Newbury College

1 Pupil went to Oxford College

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

**Kingfisher**

**Year 11**

**1 Pupil**

Transition Challenge-Sensory

**Destination**

Kingfisher School Post 16 Provision

**Year 14**

**2 Pupils**

1 Pupil achieved ASDAN Personal Progress-Award

1 Pupil achieved ASDAN Personal Progress-Certificate

**Destinations**

1 Pupil MAP

1 Pupil Out of County Residential

**Year 13**

**2 Pupils**

2 Pupil achieved ASDAN Personal and Social Development-Entry Level 2-Award

**Destinations**

1 pupil Abingdon and Witney College

1 pupil City of Oxford College

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Teaching and Learning

- One school continues to develop educational pathways based on academic, sensory and communication needs of children. The other school is developing curriculum cluster leadership to embed expertise, ensuring the curriculum intent, implementation and impact remains at the heart of the curriculum offer.

In March 2019, Ofsted found at Fitzwaryn

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

SDP priorities for 2018 - 2019 focussed on improving T and L focussed on the following:

To ensure that the curriculum offer at each stage within the school are clearly defined and communicated effectively.

To revise the curriculum, assessment and reporting policy.

To embed 'Real PE' within the curriculum offer.

Following the outcome of the Ofsted inspection, priorities for 2019 - 2020 are focused on the following curriculum priorities:

- To continue the work to refine the curriculum so that it meets pupils' needs even more fully.
- To ensure that the 'most able' pupils are consistently challenged to achieve as well as they can in all areas of the curriculum, including English and Maths.
- To ensure that systems and routines of communication are consistent across the school.
- To further enhance subject leadership by embedding a system of curriculum clusters.
- To improve teaching by sharing best practice via a system of effective peer review.
- To further develop Multi Me.
- To further develop training opportunities for governors in aspects of assessment and curriculum.
- To formalise the capturing of 'soft' data to ensure we are measuring and reporting a wider range of achievements.
- To formalise the offer of school delivered therapies, measure and analyse and ensure their impact is reported.
- To ensure that the 'most able' pupils are consistently challenged to achieve as well as they can in English.
- To further develop the teaching of reading (linked to library development).
- To monitor the impact that phonics teaching has on the acquisition of reading skills.
- To ensure that the 'most able' pupils are consistently challenged to achieve as well as they can in Maths.

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

- Pupils are placed in classes that reflect their learning needs, learning styles as well as their cognitive ability. Therefore the classes are not restricted to a narrow age range
- The pupils are taught by stage rather than age
- Each class will have a different pace to the day, again dependent on the needs of the pupils

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- However pupils who are exceeding expectations will be further developed, either in the class they are in or will be moved classes appropriately
- Pupils are taught across their cluster for some aspects of the curriculum
- Some pupils are taught across clusters for some aspects of their learning

**Teaching and Learning OFSTED Jan 2019**

- Leaders and governors have addressed the areas identified for improvement at the previous inspection successfully.
- All teachers now use the school's system for planning and tracking. Leaders and staff use this system effectively. It supports their much-improved understanding of the progress of current pupils.
- Staff are beginning to share best practice regularly. In addition, a highly developed focus on the needs of individual pupils, within the curriculum, allows all to access a wide range of learning experiences, including practical and musical activities.
- Teaching is typically effective.

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

**Quality of Education from School Development Priorities**

- Teaching Assistants are trained and deployed in order to maximise the quality of education for each pupil, irrespective of the Pathway or Cluster.
- Curriculum development will take into account individual pupil needs and the pathways in which they are in to ensure that every pupil is fully challenged.
- Assessment tools used will be bespoke to each pathway to ensure progress is made.

**Personal Development from School Development Priorities**

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

**Behaviour and Safety**

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

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**Effectiveness of the Sixth Form**

- Sixth forms provide a diverse offering including following the National Open College Network Pathways to adulthood programme as well as the Duke of Edinburgh Award scheme.
- Both schools have active involvement in the community including where appropriate work experience placements.
- 100% of pupils transition to college and work (9).

**Public Benefit**

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in the Wantage and Abingdon and the surrounding area, offering a broad and balanced curriculum.

The Academy also allows use of its facilities for recreational and other leisure time occupation for the wider community, in the interests of social welfare and with the interest of improving the life of that community.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis, action planning, peer to peer review and external inspections from a lead school improvement advisor.

The particular achievements and performance of the Academy during the period ended 31 August 2019 were as follows:

Ofsted for both schools  
Accreditation as above

**Going Concern**

After making appropriate enquiries, the Board of Directors, including all Committees, has a reasonable expectation that the Academy 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 Accounting Policies note of the financial statements.

**Strategic report**

The schools within the Academy Trust have continued to work on the priorities set out in September 2018 approved by the Governing Body.

Notable achievements this year were:-

OFSTED inspections for both schools remain Good and Outstanding,

The schools continued their internal growth strategy with a 15% uplift on pupil on roll working collaboratively with the local authority to support the countywide strategy.

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The Trust has identified a growth strategy for 2019/2020

Pupil attendance remains better than the national average for special schools in the country

Developing income streams via sponsors

Academic achievements and transition destinations

The School faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section

The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk, credit risk, pensions and change to the funding formulae, not with-standing any future impact from Brexit

The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

**Key Performance Indicators.**

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2019, the balance of the GAG Restricted Fund was £573,070, which is after a transfer of £55,967 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 192 which is an increase 15% on the previous census.

As a result, the ratio of GAG funding per pupil was £9,783 for the period.

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

**FINANCIAL REVIEW**

**Financial Review**

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

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

During the period ended 31 August 2019, the total expenditure of £4,657,192 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of total expenditure over incoming resources for the period was £519,343 (before actuarial losses on defined benefit pension schemes).

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The net book value of fixed assets at 31 August 2018 were £13,940,898, which includes depreciation charges for the period of £311,977.

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

The balance of total funds held at 31 August 2019 were £11,455,443 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£573,070
Restricted Pension Liability Fund	(£3,406,000)
Restricted Fixed Asset Fund	£13,954,804
Unrestricted Funds	£333,569

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

**Financial and Risk Management Objectives and Policies**

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Directors and include the financial risks to the Academy. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

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

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

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

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

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

**Principal Risks and Uncertainties**

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

**Financial**

The Academy has considerable reliance on continued Government funding through the ESFA. In the period, approximately 99% of the Academy's incoming resources (excluding amounts transferred on conversion from the

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Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

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

Reputational

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

Safeguarding and child protection

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

Staffing

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

Fraud and mismanagement of funds

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

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

**Reserves Policy**

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

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

The current level of reserves is £906k. Appropriate steps will be taken to decrease the free cash reserves. The steps include reviewing IT infrastructure, minibus fleet and revised capital and fabric buildings assessment.



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

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Investment Policy**

All funds surplus to immediate requirements will now be invested to optimal effect by the Academy (subject to two major capital projects completing) with the objective of ensuring maximum return on assets invested but with minimal risk. Where cash flow allows, sums in excess of £85,0000 may be invested on deposit for extended periods with the Academy's principal bankers or other reputable financial institutions.

**Fundraising**

The Chief Operating Officer has built significant relationships this year, which has led to sponsorship and donations from a number of companies and charities.

This has enabled school resources and allocation to remain positive in a tough economic environment whilst providing children with exciting new facilities, for example a mini bus and bike park.

**PLANS FOR FUTURE PERIODS**

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

The Academy's plans for future periods are:

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

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

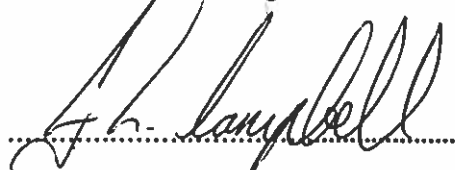
The Academy and its Directors do not act as Custodian Trustees of any other charity.

**AUDITOR**

In so far as the Directors are aware:

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

The Directors report, incorporating a strategic report has been approved by order of the Board of Directors on 9 December 2019 and signed on its behalf by:



**Gay Campbell**  
**Chair of Directors**

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

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Scope of Responsibility**

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

The Board of Directors has delegated the day-to-day responsibility to the Headteacher of Fitzwaryn, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors, including all Committees, any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that information that is described in the Directors' Report and in the Directors' Responsibilities Statement. The Directors have formally met 6 times during the period ended 31 August 2019 and Governors a minimum of 6 times also. Attendance during the period at meetings of the Governing Body was as follows:

**Directors Meeting Attendance September 2018 – August 2019**

<b>Name</b>	<b>Meetings attended</b>	<b>Of a possible</b>
Gay Campbell	5	6
Barbara Harker	6	6
Sam Wolfe (resigned 16.5.19)	4	5
Marion Tighe (resigned 16.5.19)	3	5
Christine Doubleday (resigned 16.5.19)	4	5
Davina Mackay (joined 16.5.19)	2	2
Tim Hodgson (joined 4.7.19)	1	1
Paula Bolton (joined 4.7.19)	1	1

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

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Governors Attendance at Fitzwaryn 2018/2019**

<b>Name</b>	<b>Meetings attended</b>	<b>Of a possible</b>
Julie Mabblerley	6	7
Jeanne Lapsley	5	7
Marion Evans	7	7
Stephanie Coneboy	7	7
Elisabeth Green	7	7
Mary Hallam	7	7
Rachel Wenham	6	7
Jane Pierce	7	7
Jane Edwards	7	7
Tamara Harris	5	7
Cathy Jury (resigned July 2019)	5	7
Barry Reynolds (joined February 2019)	4	4

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

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Governors Attendance at Kingfisher 2018/2019**

Name	Meetings Attended	Of a possible
Fernando Nodal	6	6
Andrew Clarke	6	6
Lorraine Wilson	6	6
Cynthia Bartlett	5	6
Maureen Boyle	1	1
Dianne Monnery	0	2
Joseph Dickens	2	4
Liza Eccles	4	4
Melanie Cohen smith	1	4
Chitra Shintre	1	3
Matthew Hill	2	2

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

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

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Governance reviews**

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

In conjunction with the DFE this led to us engaging with the Academy Ambassadors to build additional breadth and strength in the Board and governance structure. This remains an ongoing process with the formalisation of a professional clerk for 19/20.

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

The Trust has established a communications protocol and recognises this is still in implementation stage across some parts of the Governance structure.

**Review of Value for Money**

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

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

The Trust collectively participates in a regional procurement forum to ensure maximum power purchasing is achieved through collaboration and to ensure time spent on this process is minimised, the audit contract is an example of this process and the subsequent savings. This also provides benchmarking opportunities for service and value for money in other areas.

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

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

The schools are also active in providing an outreach service to other schools to ensure experiences are shared. Both schools have indicated to Swalss the option of using meeting rooms as an income generation initiative outside of school hours.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Propeller Academy Trust for the period ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

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

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period from incorporation to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**The Risk and Control Framework**

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Critchleys for this financial year, in 19/20 this will move to James Cowper Kreston for these undertakings.

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

The Academy can confirm Critchleys completed their schedule as planned. All minor observations were reviewed and actioned accordingly.

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

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

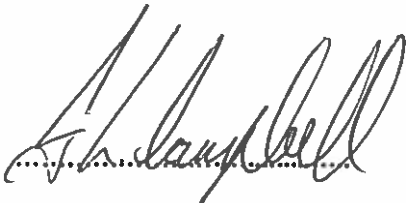
**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2019 the review has been informed by:

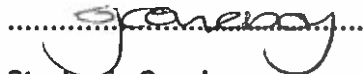
- the work of the internal audit function
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Directors on 9 December 2019 and signed on its behalf by:



**Gay Campbell**  
**Chair of Directors**



**Stephanie Coneboy**  
**Accounting Officer**


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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Propeller Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

  
**S Coneboy**  
Accounting Officer  
Date: 09.12.19



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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

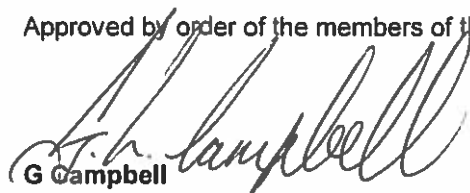
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:

  
**G Campbell**  
Trustees

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

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

**Opinion**

We have audited the financial statements of The Propeller Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

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

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

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

THE PROPELLER ACADEMY TRUST  
(A Company Limited by Guarantee)

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



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of  
**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reporting Accountant

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

Date: 17/12/2019

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

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

In accordance with the terms of our engagement letter dated 16 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Propeller Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Propeller Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**James Cowper Kreston**

Reporting Accountant

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

Date: 17/12/2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	46,564	-	96,595	143,159	605,071
Charitable activities:						
Funding for the academy trust's educational operations		-	3,922,243	-	3,922,243	3,514,508
Other income for educational operations		24,647	-	-	24,647	29,660
Other trading activities		47,173	-	-	47,173	93,664
Investments	6	627	-	-	627	625
<b>Total income</b>		<b>119,011</b>	<b>3,922,243</b>	<b>96,595</b>	<b>4,137,849</b>	<b>4,243,528</b>
<b>Expenditure on:</b>						
Raising funds		2,500	-	-	2,500	6,918
Charitable activities:						
Academy trust educational operations		53,065	4,287,533	314,094	4,654,692	4,181,427
<b>Total expenditure</b>		<b>55,565</b>	<b>4,287,533</b>	<b>314,094</b>	<b>4,657,192</b>	<b>4,188,345</b>
<b>Net income/(expenditure)</b>		<b>63,446</b>	<b>(365,290)</b>	<b>(217,499)</b>	<b>(519,343)</b>	<b>55,183</b>
Transfers between funds						
	18	-	(55,967)	55,967	-	-
<b>Total transfers</b>		<b>-</b>	<b>(55,967)</b>	<b>55,967</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>63,446</b>	<b>(421,257)</b>	<b>(161,532)</b>	<b>(519,343)</b>	<b>55,183</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(936,000)	-	(936,000)	904,000
<b>Net movement in funds</b>		<b>63,446</b>	<b>(1,357,257)</b>	<b>(161,532)</b>	<b>(1,455,343)</b>	<b>959,183</b>
<b>Reconciliation of funds:</b>						



**THE PROPELLER ACADEMY TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>Note</b>					
Total funds brought forward	224,058	(1,429,608)	14,116,336	12,910,786	11,951,603
Net movement in funds	63,446	(1,357,257)	(161,532)	(1,455,343)	959,183
<b>Total funds carried forward</b>	<b>287,504</b>	<b>(2,786,865)</b>	<b>13,954,804</b>	<b>11,455,443</b>	<b>12,910,786</b>

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

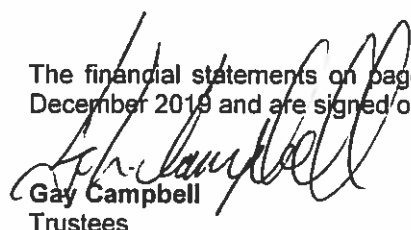
The notes on pages 34 to 60 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	14	-	2,115
Tangible assets	15	13,940,898	14,084,235
		<u>13,940,898</u>	<u>14,086,350</u>
<b>Current assets</b>			
Debtors	16	46,679	114,886
Cash at bank and in hand		1,123,440	1,148,856
		<u>1,170,119</u>	<u>1,263,742</u>
Creditors: amounts falling due within one year	17	(249,574)	(372,306)
<b>Net current assets</b>		<u>920,545</u>	<u>891,436</u>
<b>Total assets less current liabilities</b>		<u>14,861,443</u>	<u>14,977,786</u>
Defined benefit pension scheme liability	24	(3,406,000)	(2,067,000)
<b>Total net assets</b>		<u><u>11,455,443</u></u>	<u><u>12,910,786</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	13,954,804	14,116,336
Restricted income funds	18	619,135	637,392
		<u>14,573,939</u>	<u>14,753,728</u>
Restricted funds excluding pension asset	18	14,573,939	14,753,728
Pension reserve	18	(3,406,000)	(2,067,000)
<b>Total restricted funds</b>	18	<u>11,167,939</u>	<u>12,686,728</u>
<b>Unrestricted income funds</b>	18	287,504	224,058
<b>Total funds</b>		<u><u>11,455,443</u></u>	<u><u>12,910,786</u></u>

The financial statements on pages 30 to 60 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

  
**Gay Campbell**  
Trustees

**THE PROPELLER ACADEMY TRUST**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	85,272	545,316
<b>Cash flows from investing activities</b>	21	(110,688)	(527,087)
<b>Change in cash and cash equivalents in the year</b>		<b>(25,416)</b>	<b>18,229</b>
Cash and cash equivalents at the beginning of the year		1,148,856	1,130,627
<b>Cash and cash equivalents at the end of the year</b>	22	<u><u>1,123,440</u></u>	<u><u>1,148,856</u></u>

The notes on pages 34 to 60 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 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The Propeller Academy Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Intangible assets**

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Purchased computer software     -    33 % per annum

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

Leasehold buildings	-	2% per annum from conversion
Fixtures, fittings and equipment	-	20% per annum
ICT equipment	-	33% per annum
Motor vehicles	-	20% per annum

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

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

**1.7 Liabilities**

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

**1.8 Provisions**

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

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

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.9 Leased Assets**

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

**1.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.11 Taxation**

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

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

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.12 Pensions**

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

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

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

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

**1.13 Fund accounting**

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

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

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



**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 24).

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

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA capital grants</b>				
Devolved formula capital grant	-	57,325	57,325	13,754
Other capital grant	-	-	-	588,388
	<hr/> - <hr/>	<hr/> 57,325 <hr/>	<hr/> 57,325 <hr/>	<hr/> 602,142 <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants (continued)**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other donations	46,564	-	46,564	2,929
Capital grants	-	39,270	39,270	-
<b>Subtotal</b>	<b>46,564</b>	<b>39,270</b>	<b>85,834</b>	<b>2,929</b>
<b>Total 2019</b>	<b>46,564</b>	<b>96,595</b>	<b>143,159</b>	<b>605,071</b>
<i>Total 2018</i>	<i>2,929</i>	<i>602,142</i>	<i>605,071</i>	

**4. Funding for the Academy's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,981,142	1,981,142	1,761,211
Pupil premium	-	37,593	37,593	47,879
Other DfE Group grants	-	48,430	48,430	46,135
Local authority revenue funding	-	1,855,078	1,855,078	1,659,283
Trip and activity income	-	-	-	5,969
Catering income	20,658	-	20,658	21,331
Other income	3,989	-	3,989	2,360
<b>Total 2019</b>	<b>24,647</b>	<b>3,922,243</b>	<b>3,946,890</b>	<b>3,544,168</b>
<i>Total 2018</i>	<i>29,660</i>	<i>3,514,508</i>	<i>3,544,168</i>	

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Hire of facilities/other lettings	37,469	<b>37,469</b>	46,932
School clubs and other income	1,835	<b>1,835</b>	46,732
Staff consultancy income	7,869	<b>7,869</b>	-
<b>Total 2019</b>	<u>47,173</u>	<u><b>47,173</b></u>	<u>93,664</u>

The other trading activities income was £47,173 (2018: £93,664) of which £47,173 was unrestricted (2018: £93,664).

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Short term deposits	<u>627</u>	<u><b>627</b></u>	<u>625</u>

The investment income was £627 (2018: £625) of which £627 was unrestricted (2018: £625).

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Expenditure on fundraising funds:					
Direct costs (raising funds)	-	-	2,500	2,500	6,918
Academy's educational operations:					
Direct costs	3,029,504	-	142,561	3,172,065	2,755,434
Allocated support costs	605,417	300,255	576,955	1,482,627	1,425,993
	<u>3,634,921</u>	<u>300,255</u>	<u>722,016</u>	<u>4,657,192</u>	<u>4,188,345</u>
<b>Total 2018</b>	<u>3,300,064</u>	<u>251,696</u>	<u>636,585</u>	<u>4,188,345</u>	

The expenditure on raising funds was £2,500 (2018: £6,918) of which £2,500 was unrestricted (2018: £6,918).

The expenditure on academy's educational operations was £4,654,692 (2018: £4,181,427) of which £53,065 was unrestricted (2018: £79,321), £4,287,533 restricted (2018: £3,798,820) and £314,094 restricted fixed assets (2018: £303,286).

**8. Analysis of expenditure by activities**

	<b>Direct costs 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Academy's educational operations	<u>3,172,065</u>	<u>1,482,627</u>	<u>4,654,692</u>	<u>4,181,427</u>
<b>Total 2018</b>	<u>2,755,434</u>	<u>1,425,993</u>	<u>4,181,427</u>	

**Analysis of direct costs**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	3,029,504	2,628,122
Educational supplies	67,667	41,700
Examination fees	2,654	3,117
Professional services - educational	24,842	29,394
IT equipment & consumables	27,989	35,600
Administration fees	239	275
Transportation costs	19,170	17,226
	<u>3,172,065</u>	<u>2,755,434</u>

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Other finance costs (FRS 102) pension	61,000	72,000
Support staff costs (including pension)	602,917	599,942
Depreciation and amortisation	314,094	303,286
Technology costs	53,421	53,714
Premises costs	302,713	244,778
Other support costs	132,615	134,833
Governance costs	15,867	17,440
<b>Total 2019</b>	<u>1,482,627</u>	<u>1,425,993</u>

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,268	1,966
Depreciation of tangible fixed assets	311,977	301,020
Amortisation of intangible assets	2,115	2,266
Fees paid to auditors for:		
- audit	8,442	7,750
- other services	3,140	9,690
	<u>          </u>	<u>          </u>

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,646,382	2,371,897
Social security costs	206,192	181,443
Pension costs	776,543	667,496
	<u>3,629,117</u>	<u>3,220,836</u>
Agency supply staff costs	5,804	14,146
	<u><u>3,634,921</u></u>	<u><u>3,234,982</u></u>

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

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	24	23
Administration and support	84	86
Management	6	5
	<u>114</u>	<u>114</u>

**THE PROPELLER ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>2</b>
In the band £70,001 - £80,000	<b>1</b>	<b>1</b>
	<hr/> <hr/>	<hr/> <hr/>

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £600,240 (2018: £491,497).

**11. Central services**

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

**12. Trustees' remuneration and expenses**

S Coneboy resigned as a Trustee on 31 May 2018. Up to the point of resignation as a Trustee in the prior year their salary was in the £55,000 to £60,000 band and pension was in the £5,000 to £10,000 band.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £50).

**13. Trustees' and Officers' insurance**

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



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs (continued)**

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1

Enter text here - user input

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £578,015 (2018: £491,497).

**11. Central services**

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

**12. Trustees' remuneration and expenses**

S Coneboy resigned as a Trustee on 31 May 2018. Up to the point of resignation as a Trustee in the prior year their pro-rata salary was in the £55,000 to £60,000 band and pension was in the £5,000 to £10,000 band.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £50).

**13. Trustees' and Officers' insurance**

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

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**14. Intangible assets**

	Computer Software £	Total £
At 1 September 2018	6,800	6,800
Disposals	(6,800)	(6,800)
At 31 August 2019	-	-
At 1 September 2018	4,685	4,685
Charge for the year	2,115	2,115
On disposals	(6,800)	(6,800)
At 31 August 2019	-	-
<b>Net book value</b>		
At 31 August 2019	-	-
At 31 August 2018	2,115	2,115

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**15. Tangible fixed assets**

	Leasehold Building £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	14,971,087	355,760	107,682	-	15,434,529
Additions	117,520	4,185	7,665	39,270	168,640
At 31 August 2019	<u>15,088,607</u>	<u>359,945</u>	<u>115,347</u>	<u>39,270</u>	<u>15,603,169</u>
<b>Depreciation</b>					
At 1 September 2018	1,074,735	202,033	73,526	-	1,350,294
Charge for the year	221,613	58,635	23,875	7,854	311,977
At 31 August 2019	<u>1,296,348</u>	<u>260,668</u>	<u>97,401</u>	<u>7,854</u>	<u>1,662,271</u>
<b>Net book value</b>					
At 31 August 2019	<u>13,792,259</u>	<u>99,277</u>	<u>17,946</u>	<u>31,416</u>	<u>13,940,898</u>
At 31 August 2018	<u>13,896,352</u>	<u>153,727</u>	<u>34,156</u>	<u>-</u>	<u>14,084,235</u>

**16. Debtors**

	2019 £	2018 £
Trade debtors	921	29,730
VAT recoverable	45,758	81,044
Prepayments and accrued income	-	4,112
	<u>46,679</u>	<u>114,886</u>

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**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	99,395	217,454
Other taxation and social security	44,556	44,356
Other creditors	55,006	45,788
Accruals and deferred income	50,617	64,708
	<u>249,574</u>	<u>372,306</u>
	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	26,376	4,207
Resources deferred during the year	38,635	26,376
Amounts released from previous periods	(26,376)	(4,207)
<b>Deferred income at 31 August 2019</b>	<u>38,635</u>	<u>26,376</u>

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

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**18. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Designated funds	60,000	-	-	(60,000)	-	-
Unrestricted funds	164,058	119,011	(55,565)	60,000	-	287,504
	<u>224,058</u>	<u>119,011</u>	<u>(55,565)</u>	<u>-</u>	<u>-</u>	<u>287,504</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	304,771	1,978,363	(1,932,727)	268,728	-	619,135
Funds from predecessor schools	324,695	-	-	(324,695)	-	-
Pupil Premium funding	7,926	37,593	(45,519)	-	-	-
Other DfE funding	-	48,430	(48,430)	-	-	-
Local authority revenue funding	-	1,857,857	(1,857,857)	-	-	-
Pension reserve	(2,067,000)	-	(403,000)	-	(936,000)	(3,406,000)
	<u>(1,429,608)</u>	<u>3,922,243</u>	<u>(4,287,533)</u>	<u>(55,967)</u>	<u>(936,000)</u>	<u>(2,786,865)</u>
<b>Restricted fixed asset funds</b>						
ESFA DfC and LA capital funding	310	57,325	-	(57,635)	-	-
Local authority capital funding	29,676	-	-	(29,676)	-	-
Fixed asset fund	14,086,350	-	(314,094)	182,548	-	13,954,804
Capital donations	-	39,270	-	(39,270)	-	-
	<u>14,116,336</u>	<u>96,595</u>	<u>(314,094)</u>	<u>55,967</u>	<u>-</u>	<u>13,954,804</u>
<b>Total Restricted funds</b>	<u>12,686,728</u>	<u>4,018,838</u>	<u>(4,601,627)</u>	<u>-</u>	<u>(936,000)</u>	<u>11,167,939</u>

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**18. Statement of funds (continued)**

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2019.

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

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

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

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

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

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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Fitzwaryn School	492,536	456,082
Kingfisher School	414,103	405,368
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	906,639	861,450
Restricted fixed asset fund	13,954,804	14,116,336
Pension reserve	(3,406,000)	(2,067,000)
	<hr/>	<hr/>
<b>Total</b>	<b>11,455,443</b>	<b>12,910,786</b>
	<hr/>	<hr/>

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Fitzwaryn School	1,566,045	166,079	77,089	260,571	2,069,784	1,886,275
Kingfisher School	1,384,045	134,336	53,973	255,544	1,827,898	1,649,784
Other finance costs and pension costs	384,416	-	-	61,000	445,416	349,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy trust</b>	<b>3,334,506</b>	<b>300,415</b>	<b>131,062</b>	<b>577,115</b>	<b>4,343,098</b>	<b>3,885,059</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
Designated funds	60,000	-	-	-	-	60,000
Unrestricted funds	123,419	126,878	(86,239)	-	-	164,058
	<u>183,419</u>	<u>126,878</u>	<u>(86,239)</u>	<u>-</u>	<u>-</u>	<u>224,058</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	449,167	1,761,211	(1,696,523)	(209,084)	-	304,771
Funds from predecessor schools	324,695	-	-	-	-	324,695
Pupil Premium funding	7,926	47,879	(47,879)	-	-	7,926
Other DfE funding	-	46,135	(46,135)	-	-	-
Local authority revenue funding	-	1,659,283	(1,659,283)	-	-	-
Pension reserve	(2,622,000)	-	(349,000)	-	904,000	(2,067,000)
	<u>(1,840,212)</u>	<u>3,514,508</u>	<u>(3,798,820)</u>	<u>(209,084)</u>	<u>904,000</u>	<u>(1,429,608)</u>
<b>Restricted fixed asset funds</b>						
ESFA DFC and LA capital funding	-	13,754	-	(13,444)	-	310
Local authority funding	348,615	588,388	-	(907,327)	-	29,676
Fixed asset fund	13,259,781	-	(303,286)	-	-	14,086,350
	<u>13,608,396</u>	<u>602,142</u>	<u>(303,286)</u>	<u>(920,771)</u>	<u>-</u>	<u>14,116,336</u>



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**18. Statement of funds (continued)**

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Total Restricted funds</b>	<b>11,768,184</b>	<b>4,116,650</b>	<b>(4,102,106)</b>	<b>(1,129,855)</b>	<b>904,000</b>	<b>12,686,728</b>
<b>Total funds</b>	<b>11,951,603</b>	<b>4,243,528</b>	<b>(4,188,345)</b>	<b>(1,129,855)</b>	<b>904,000</b>	<b>12,910,786</b>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

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

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	14,084,235	14,084,235
Intangible fixed assets	-	-	2,115	2,115
Current assets	224,058	1,009,698	29,986	1,263,742
Creditors due within one year	-	(372,306)	-	(372,306)
Provisions for liabilities and charges	-	(2,067,000)	-	(2,067,000)
<b>Total</b>	<b>224,058</b>	<b>(1,429,608)</b>	<b>14,116,336</b>	<b>12,910,786</b>

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**20. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(519,343)	55,183
<b>Adjustments for:</b>		
Amortisation	2,115	2,266
Depreciation	311,977	301,020
Capital grants from DfE and other capital income	(57,325)	(602,142)
Interest receivable	(627)	(625)
Defined benefit pension scheme cost less contributions payable	342,000	277,000
Defined benefit pension scheme finance cost	61,000	72,000
Decrease in debtors	68,207	220,186
(Decrease)/increase in creditors	(122,732)	220,428
<b>Net cash provided by operating activities</b>	<b>85,272</b>	<b>545,316</b>

**21. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	627	625
Purchase of tangible fixed assets	(168,640)	(1,129,854)
Capital grants from DfE Group	57,325	602,142
<b>Net cash used in investing activities</b>	<b>(110,688)</b>	<b>(527,087)</b>

**22. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,123,440	1,148,856
<b>Total cash and cash equivalents</b>	<b>1,123,440</b>	<b>1,148,856</b>

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**23. Capital commitments**

	2019 £	2018 £
Contracted for but not provided in these financial statements	-	25,000

**24. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 multi-employer defined benefit schemes.

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

Contributions amounting to £48,175 were payable to the schemes at 31 August 2019 (2018 - £43,566) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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)
- 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%.

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**24. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £193,672 (2018 - £176,727).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £317,000 (2018 - £279,000), of which employer's contributions totalled £241,000 (2018 - £213,000) and employees' contributions totalled £ 76,000 (2018 - £66,000). The agreed contribution rates for future years are 15.1 per cent for employers and 5.5 and 12.5 per cent for employees.

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.

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.80	3.50
Rate of increase for pensions in payment/inflation	2.40	2.30
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.30	2.40
Commutation of pensions to lump sums	50.00	50.00

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.7	23.4
Females	24.3	25.5
<i>Retiring in 20 years</i>		
Males	24.0	25.7
Females	25.7	27.9

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**24. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	-	4,915
Discount rate -0.1%	-	5,173
CPI rate +0.5%	755	-
Real Discount Rate +0.5%	898	-
Salary Increase Rate +0.5%	124	-
	<u>755</u>	<u>-</u>

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

	<b>At 31 August 2019 £</b>	<b>At 31 August 2018 £</b>
Equities	2,381,190	2,084,000
Other bonds	724,710	506,000
Property	207,060	238,000
Cash and other liquid assets	138,040	149,000
<b>Total market value of assets</b>	<u><b>3,451,000</b></u>	<u><b>2,977,000</b></u>

The actual return on scheme assets was £181,000 (2018 - £205,000).

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

	<b>2019 £</b>	<b>2018 £</b>
Current service cost	466,000	490,000
Past service cost	(117,000)	-
Interest income	(87,000)	(69,000)
Interest cost	148,000	141,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<u><b>410,000</b></u>	<u><b>562,000</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>5,044,000</b>	<b>5,150,000</b>
Current service cost	466,000	490,000
Interest cost	148,000	141,000
Employee contributions	76,000	66,000
Actuarial losses/(gains)	1,030,000	(786,000)
Benefits paid	(24,000)	(17,000)
Past service costs	117,000	-
<b>At 31 August</b>	<b>6,857,000</b>	<b>5,044,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,977,000</b>	<b>2,528,000</b>
Interest income	87,000	69,000
Actuarial gains	94,000	118,000
Employer contributions	241,000	213,000
Employee contributions	76,000	66,000
Benefits paid	(24,000)	(17,000)
<b>At 31 August</b>	<b>3,451,000</b>	<b>2,977,000</b>

**25. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts due within one year	1,890	1,464
Amounts due between one and five years	-	705
	<b>1,890</b>	<b>2,169</b>

**26. Contingent liabilities**

There are no contingent liabilities that require disclosure.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. 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.

**28. 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 trustees 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.