

The Propeller Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2023

Company Registration Number:
08340120 (England and Wales)

The Propeller Academy Trust

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The Propeller Academy Trust

Reference and Administrative Details

Members

P Hutchinson

D Mackay

P Yearling

Trustees

D Buckley-Golder

J Chadwick

J Edwards

T Hodgson

S Mitchell

T Pegler

E Ricks-Neal (appointed 1 January 2023)

M Rogers (resigned 22 June 2023)

Company Secretary

T Stratton

Senior Management Team:

T Pegler	Chief Executive Officer
T Stratton	Chief Operations Officer
P Bhagrath	Headteacher
S Coneboy	Headteacher
L Wilson	Headteacher
K Downes	Deputy Headteacher
T Gardiner	Deputy Headteacher
L Green	Deputy Headteacher
C Slatter	Deputy Headteacher
F Bjornstad	Assistant Headteacher
S Colebourne	Assistant Headteacher
R Long	Assistant Headteacher

Company Name

The Propeller Academy Trust

Principal and Registered Office

Fitzwaryn School

Denchworth Road

Wantage

Oxfordshire

OX12 9ET

The Propeller Academy Trust

Reference and Administrative Details

Company Registration Number
08340120 (England and Wales)

Independent Auditor
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers
Lloyds Bank Plc
8 Ock Street
Abingdon
OX14 5AP

Solicitors
Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

The Propeller Academy Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates three special schools in the South Oxfordshire Area. Kingfisher and Fitzwaryn special schools came together to create a formal relationship through the creation of a multi-academy trust in February 2013. Bishopswood School joined the Trust in January 2023. The schools have a combined pupil capacity of 276 and had a number on roll of 291 in the census in January 2022.

Structure, Governance and Management

Constitution

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

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

On 1 February 2013, the Members appointed all the Governors that served the predecessor school as Trustees of the newly formed Academy Trust. These Trustees were appointed on a term of office that would end when their original term at the 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, including Members and Trustees, bringing greater rigour to the Trust.

The Propeller Academy Trust

Trustees' Report

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

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

- up to 10 Trustees. who are appointed by the Members (seven) and Trustees (three) of which up to two are Parent Trustees who are elected by the parents of registered pupils at the Trust's schools if there are no parents at the local committee level
- of which up to one is a staff member, limited to the role of the Chief Executive Officer (provided that the total number of Trustees who are employees of the Academy does not exceed one third of the total number of trustees)

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

When appointing new Trustees, the Trust will consider the skills and experience of existing Trustees to ensure the Trust has the necessary skills to contribute fully to the Trust's development.

In March 2022, the Board appointed Jane Edwards as Chair and John Chadwick as Vice Chair. These appointments fulfil a vital component of a balanced Board to provide support to the executive team in building and developing the Trust provision with an extensive SEN educationalist knowledge. In January 2023, the Trust appointed Elaine Ricks-Neal as an experienced educationalist to consolidate governance expertise.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees 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 and a plan set by the Chair to facilitate knowledge. Induction is informally tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate, such as The Key, NGA, and Oxfordshire Governor services.

All Trustees have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees in both company and charity law. Trustees are also members of Governor Hub to access company information in a secure manner.

All Trustees can undertake National Governor Association training and all Trustees receive regular National Governor Association updates through the membership scheme to which they are enrolled as well as The Key and Oxfordshire training providers.

We have continued our membership of the 'Better Governance' scheme to enhance standards. A skills assessment was completed during the year and internal training and awareness sessions identified to address weaker areas of knowledge.

The Propeller Academy Trust

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees (continued)

The same facilities are extended to the Local Governance teams to ensure consistency and understanding across the Trust. In 2022 The Trust underwent full inspection by the NGA to verify its internal Governance arrangements. The Trust was considered strong in all aspects. The report noted "The strategic leadership of the trust is underpinned by a culture which permeates across all levels of governance. No matter how troubled or vulnerable the child is or complex their needs, all pupils at the Propeller Academy Trust can succeed. This shapes the Trust's vision which succinctly states, is 'to extend high quality SEN education to as many children and young people as possible'. This perfectly captures the ethos of the executive and school leaders, trustees and local governors and is reflected in the Trust's values."

Organisational Structure

The Trust Board meets at least twice each term with an additional annual meeting with the external Auditor to consider and approve the annual report and accounts. The Trust Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Sub Committees of the Trust including the Local Governing Body (LGB) for each constituent school. It receives reports including policies from Local Governing Bodies (LGBs) for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Trust Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are five Committees of the Trust as follows:

- Local Governing Body – Kingfisher
- Local Governing Body – Fitzwaryn
- Local Governing Body –Bishopswood
- Pay Committee
- Finance, Audit and Risk Committee

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

The following decisions are reserved to the full Trust Board:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure
- To appoint or remove the Chair and / or Vice Chair
- To appoint and / or consider the performance of Headteachers in conjunction with the Governors and Chief Executive Officer
- To appoint and/or consider the performance of the Chief Executive Officer and the Chief Operations Officer, who acts as the CFO.

The Propeller Academy Trust

Trustees' Report

Organisational Structure (continued)

The Trustees are responsible for:

- The strategic direction of the Trust as a whole
- Setting general policy
- Approving the annual development plan for the Trust
- Approving the Trust budget
- Approving the annual statutory accounts
- Ensuring the monitoring of progress against objectives through data and external verification and Local Governing Body activity
- Decisions about the direction of individual schools within the Trust in conjunction with the Local Governing Body
- Any major capital expenditure and the use of reserves
- Health and Safety policy
- Safeguarding policy

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

Arrangements for setting pay and remuneration of key management personnel

The Trust's key management personnel are deemed to be the Chief Executive Officer, the Chief Operations Officer and the Headteachers. The remuneration of these personnel is reviewed independently by the Pay Committee and benchmarked externally.

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

Trade union facility time

The Trust has no employees who are relevant union officials and there was no time spent on facility time during the year. The Trust subscribes to a membership in Oxfordshire County Council to provide union support for staff to meet its legal requirement.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust.

The Propeller Academy Trust

Trustees' Report

Objectives and Activities

Objects and Aims

The principal objectives of the 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 schools specially organised to make special educational provision for pupils with Special Educational Needs.
- Promote for the benefit of the inhabitants of Wantage, Abingdon, Sonning Common and the surrounding areas 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 or 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.

Vision and Principles

Propeller's overarching vision is 'To extend high quality SEN education to as many children and young people as we can'.

Our principles are to:

- Keep children and young people at the heart of every decision.
- Provide an innovative and developmental curriculum, which gives children and young people a strong foundation for long-term community cohesion, positive mental health and well-being, independence, and appropriate employment.
- Seek recognition nationally and locally for the quality and diversity of our provision.
- Share the benefits of best practice, collaboration, and new initiatives equally across all our schools and with external stakeholders.
- Support local communities and broader SEN needs within education and the wider community.
- Nurture a culture of improvement which welcomes learning, challenge, and assurance.
- Provide opportunities for staff to develop and progress, within a supportive and positive environment.
- Protect and use all our resources efficiently in pursuit of our Vision.
- Keep our governance structures streamlined to enable our teachers to remain focused on teaching.
- Accord everyone associated with the Trust the respect and dignity they deserve.

The Propeller Academy Trust

Trustees' Report

Objectives, Strategies and Activities

During the year, the Trust completed a formal review of its strategic priorities and published its Strategic Plan for 2022-2025. The Plan:

- Shares and defines the vision of the Trust for the next three years;
- Defines the success criteria that will demonstrate the effectiveness of the individual schools;
- Explains how we will track opportunities and risks in a continually changing environment;
- Builds upon the individual schools' successes already achieved; and
- Places high quality education and community experiences at the heart of all decision making.

The main activities and achievements for the year ended 31 August 2023 are described below under the five strategic objectives laid out in the Plan.

Key Objective 1: Outstanding Outcomes for All Children and Young People Across the Trust

- 95% of parents noted that their child was happy in our schools when responding to our 2022/23 survey
- Continuous curriculum development remained a priority in all Trust schools, underpinned by ongoing enhancements of teachers' knowledge, pedagogy and practice. Read Write Inc (RWI) is delivered, where appropriate, as the reading scheme of choice across all our schools with progress reviewed termly and external moderation of delivery annually. Reports from our independent, expert School Improvement Partners have been extremely positive for all three schools, this extract from one report being typical: 'the evidence from the visit indicates that the structure and curriculum delivery remain strong, and it is evident that the school leaders demonstrate a thoughtful and thorough approach to initiating and tackling development practices. The Headteacher and Deputy Headteachers are an efficient and very effective senior team'.
- NEET (indicating those Not in Employment, Education or Training – 0% in 2022/23) data indicates appropriate outcomes for all.
- Curriculum development and transitions in our schools also support the 'next stage' of pupils' lives. Sixth forms provided a diverse offering including following the National Open College Network Pathways to adulthood programme as well as the Duke of Edinburgh Award scheme. A 'moving on strategy' that supports the effective preparation for adulthood of our pupils into their local community has been implemented across the Trust.
- Our quality assurance processes (both internal and external) for assuring pupil progress and quality first teaching have been further enhanced and Key Performance Indicators have been rationalised to provide Board visibility of performance across all schools.
- Schools continue to perform above the national average for attendance and proactively monitor persistent absence to ensure early safeguarding signs are well managed.

The Propeller Academy Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

Key Objective 2: Prepare and Support All Children and Young People to be Happy, Active, and Lifelong Integral Members of their Community.

- All our schools have been widening access to their communities and independent living experiences, have work experience placements where appropriate and have been developing and extending social enterprises. The Trust's first supported internships began in September 2023.
- Links with local businesses, careers guidance and employment opportunities have been extended wherever possible, supported by our Chief Executive Officer chairing the Local Authority SEN employment forum.
- Careers and options fairs have been held for parents and students with representatives from colleges present.
- All schools are assessed against Gatsby benchmarking (national standards for Careers Education) and the use of Compass plus (focusing on individual careers provision) has been successfully piloted at Fitzwaryn for full roll out.
- Mental health and well-being forms part of each school curriculum and is taught as a topic in its own right.
- Nine pupils completed their Duke of Edinburgh Bronze Award, and four pupils achieved a Silver award as part of their holistic learning package.

Key Objective 3: Effective Investment in our Staff

- A Trust-wide well-being strategy that constantly evaluates and supports the well-being of all members has been developed and well-being days have been introduced. Our staff surveys indicate well-being needs are being met across the Trust.
- Continuous Professional Development (CPD) plans are agreed for all staff each year, ensuring that training is effective and takes into consideration differing levels of experience and school priorities. There are clear career pathways at all levels and individual CPD through national qualifications is actively encouraged (including accredited NPQML, NPQSL, NPQH, NPQEL and new NPQs and CIPD within the central team). Focus has been given to the identification and development of middle leadership roles.
- Leaders from across the Trust work together to share expertise and drive agreed priorities. Trust-wide working groups provide opportunities to share best practice and have focused on Maths, English, safeguarding, assessment, behaviour, and teaching and learning.
- The Trust has developed a recruitment and retention strategy that seeks to minimise risk in key scarcity areas and a greater online recruitment presence has enhanced recruitment in key areas. These have been particularly valuable in addressing staffing needs at Bishopswood School after it joined the Trust this year.
- The Trust's first apprentices are now employed in each school.
- Internal Unqualified Teacher Training (UQT) training will support school delivery and encourage staff development.

The Propeller Academy Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

Key Objective 4: Continually extend our reach to provide high quality support to as many students as possible.

- We have continued to support parents and carers, with home school workers in place in each school and effectively supporting identified families. Our after-school and holiday club provision has continued to support parents and carers.
- We are making great progress with our growth strategy. Apart from integrating Bishopswood School as the third school in our Trust, we have identified and submitted applications for three new free schools in our region.
- We have also extended our partnerships, support, and influence in SEN across our region. Our Chief Executive Officer has been commissioned for support across local schools, our Chief Operations Officer has worked closely with Oxfordshire County Council to shape SEN funding levels now and in the future, the Headteacher of our Fitzwaryn School has been an active member of the development group for the Council's outreach programme, and the Trust continues to work alongside our commissioners to support sufficiency strategies.
- We continue to work with local schools and Multi-Academy Trusts to develop sustainable partnerships, including our Headteachers contributing to key partnership meetings with the County Council.

Key Objective 5: Maintain a Sustainable Business Model to Enable us to Fulfil our Strategic Aims

- We have continued to enhance and extend our facilities to provide the best possible learning environments for as many children and young people as possible. The major extension at our Kingfisher school was completed on time and within budget, allowing us to offer (and fill) additional places for those needing the special provision we provide. Other enhancements across our schools include new play equipment, classroom refurbishments and upgrades to our IT facilities.
- Bishopswood School has seen massive improvements since joining the Trust, although there is much more that the Trust considers necessary to bring the school layout and facilities up to the standard we expect to provide. Plans for a major redevelopment are being advanced with our commissioners.
- We take pride in the rigour and effectiveness of our financial management. Budget responsibility is part of the Trust's ethos, championed by all our leaders, ensuring that despite the impact of external pressures (including rising utility costs and unfunded pay increases) the Trust has maintained healthy reserves to enable continued investment and growth. External audit of our financial statements once again confirmed the effectiveness of our financial controls and an independent review by SMRA for the Department for Education concluded that "the Trust has already implemented cost savings and been successful at generating income. Having reviewed the staffing structure and metrics there appears to be no spare capacity in the schools to be able to reduce or re-deploy staffing. I could not find any further opportunities for the trust to make savings. The extension of the central team including the appointment of an IT manager and Commercial Manager has allowed for greater capacity to support our schools."

The Propeller Academy Trust

Trustees' Report

Public Benefit

The Trustees 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 Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit education in the Oxfordshire and the surrounding area, offering a broad curriculum.

Strategic Report

Achievements and Performance

Highlights of the Year

The Trust has described its principal achievements in the year to 31 August 2023 in full in the previous section, using the categories set out in our Strategic Plan for 2022-25. Some of the highlights from a busy and productive year have been:

- The Trust published its Strategic Plan for 2022-25, which provides a clear framework for our future development and growth as a Trust. A new linked growth strategy has provided clear direction to inform future Trust progress and growth.
- The Trust was delighted to welcome Bishopswood School as its third school. This is exciting for the Trust as the school is due for a secondary site redevelopment with a project value of £4million. A new Headteacher, SLT and governing body are now in place.
- The Trust has worked collaboratively to achieve £189k in unrestricted non-capital grants (TCAF and Academy Conversion) to further develop our growth in 2023/2024.
- The Trust completed a £1million expansion project, in conjunction with Oxfordshire County Council, at its Kingfisher school site to enable the school to support more children locally.
- Children have benefitted from a new sensory room, redecoration across all three sites and numerous improved security measures at Bishopswood.
- The Trust has developed the capacity of the central team through the appointment of a Commercial Manager to deliver grants and funding to support the strategic aims of the Trust and across Trust lead for IT.
- The Trust wide working parties have supported the Trust in delivering strategic aims linked to its 'Moving On' strategy and mental health provision.
- The Trust undertook a full and detailed review of the LGB terms of reference, to ensure all layers of governance had a full and up-to-date understanding of their respective roles within the Trust.
- The Trust was pleased with the endorsement of its governance framework and approach from in a rigorous updated external inspection through the DfE and NGA.
- New Trust wide schools' improvement and governance plan has informed progress and decision making.
- New schools' KPIs and schedule or reporting of schools' progress has improved Directors' oversight of schools' performance.
- Link Directors for each school have been appointed.

The Propeller Academy Trust

Trustees' Report

Achievements and Performance (continued)

- The Trust was subject of a highly successful SRMA (School Resource Management Advisor) audit which highlighted that “the trust has already implemented cost savings and been successful at generating income. Having reviewed the staffing structure and metrics there appears to be no spare capacity in the schools to be able to reduce or re-deploy staffing. I could not find any further opportunities for the trust to make savings.”
- Cross Trust education working parties have shared best practice in a number of areas.
- The Trust has worked collaboratively with other local trusts to ensure high quality self-evaluation.
- The Trust has worked closely with the LA on supporting its sufficiency strategy.
- The Trust has completed three free school bids for local schools commissioned by the DFE.

Alongside the activities noted above, schools within the Trust have continued to work on the priorities set out in September 2022, approved by their respective Governing Bodies. As a result:

- All schools remain graded as Good or better by OFSTED (Bishopswood opened as a new school in January 2023).
- External verification of all schools was reported to the Board by a School Improvement Partner.
- Outcomes for the pupils (both academically and personal skills) remain a particular strength of the Trust.
- All students moved on to appropriate destinations in either education, training, or the community.
- The quality of safeguarding in all schools has been positively reviewed externally.
- Attendance across all Trust schools remains above the national SEN average.

Student Achievement

Student achievement at the Trust is measured in several ways, not only through academic results, but through the annual EHCP review process with all stakeholders. This process ensures that every child meets their potential and goals. Students' progress in their academic and personal development is monitored termly linked to annual targets. These are personalised and reflect the needs of these students.

Qualifications and achievements across our three schools are varied and wide ranging to reflect the needs and abilities of our pupils. It is not possible to nationally benchmark our pupils' achievements and progress and attainment is reviewed on an individual basis. In 2022/23, pupils across the Trust achieved qualification and recognition in the following areas (where appropriate):

- Entry level 1 and 2 Functional Skills in ICT, Maths and English
- Entry level 2 and level 1 and 2 Diploma in Independent Living
- ASDAN Personal Development Bronze/Silver award
- ASDAN Personal Progress award
- ASDAN Personal Effectiveness award
- ASDAN Transition Challenge
- Duke of Edinburgh Bronze and Silver Award

All pupils who left our schools in 2022/23 transitioned to appropriate education and training.

The Propeller Academy Trust

Trustees' Report

Key Performance Indicators

School Information

School	Number on Roll	OFSTED grade/date
Bishopswood	70	New School
Fitzwaryn	119	Outstanding May 2022
Kingfisher	105	Good February 2019

Student Achievement

Student achievement at the Trust is measured in several ways, not only through academic results, but through the annual EHCP review process with all stakeholders. This process ensures that every child meets their potential and goals. Students' progress in their academic and personal development is monitored termly linked to annual targets. These are personalised and reflect the needs of these students.

Achievements ASDAN and Duke of Edinburgh

Accreditation July 2023

Year 11

ASDAN Award of Personal Effectiveness	1 pupil
Duke of Edinburgh Award	2 pupils

Year 12

ASDAN Transition Challenge	1 pupil
ASDAN Award of Personal Effectiveness	1 pupil
ASDAN Personal Progress Certificate	1 pupil
Duke of Edinburgh Award	3 pupils

Year 13

ASDAN Transition Challenge	1 pupil
ASDAN Personal Progress Award	1 pupil
ASDAN Personal Progress Certificate	3 pupils
Duke of Edinburgh Award	3 pupils

Year 14

ASDAN Transition Challenge	1 pupil
Duke of Edinburgh Award	3 pupils

The Propeller Academy Trust

Trustees' Report

Key Performance Indicators (continued)

Functional Skills Awards

Year 9

3 Pupils achieved their Entry Level 1 in ICT Functional Skills

Year 10

2 Pupils achieved their Entry Level 1 in Maths Functional Skills

1 Pupil achieved their Entry Level 1 in English Functional Skills

3 Pupils achieved their Entry Level 1 in ICT Functional Skills

Year 11

2 Pupils achieved their Entry Level 1 in Maths Functional Skills

1 Pupil achieved their Entry Level 2 in Maths Functional Skills

2 Pupils achieved their Entry Level 1 in English Functional Skills

1 Pupil achieved their Entry Level 2 in English Functional Skills

4 Pupils achieved their Entry Level 1 in ICT Functional Skills

2 Pupils achieved their Entry Level 2 in ICT Functional Skills

Year 12

1 Student achieved their Entry Level 1 in English Functional Skills

1 Student achieved their Entry Level 1 in Maths Functional Skills

Year 13

2 Students achieved their Entry Level 1 in English Functional Skills

2 Students achieved their Entry Level 1 in Maths Functional Skills

1 Student achieved their Entry Level 2 in English Functional Skills

1 Student achieved their Entry Level 2 in Maths Functional Skills

1 Student achieved their Entry Level 2 in ICT Functional Skills

Year 14

1 Student achieved their Entry Level 1 in English Functional Skills

1 Student achieved their Entry Level 1 in Maths Functional Skills

Going Concern

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

The Propeller Academy Trust

Trustees' Report

Financial Review

The majority of the Trust's income is received from the Department for Education (DfE) via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations 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 year ended 31 August 2023, total income (excluding restricted fixed asset reserve and restricted pension reserve) was £7,163,309 (2022: £5,045,648) and total expenditure (again excluding restricted fixed asset reserve and restricted pension reserve) was £7,319,996 (2022: £5,001,468). The excess of total expenditure over incoming resources for the period was £156,687 (2022: a surplus of £44,180).

The net book value of fixed assets at 31 August 2023 was £16,392,536 (2022: £13,955,203), after depreciation charges for the period of £366,679. The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust's schools.

The balance of total funds held at 31 August 2023 was £17,206,083 (2022: £14,319,612).

The key financial policies reviewed and adapted during the period included the Financial Regulations Manual, which lays out the framework for the Trust's financial management, including financial responsibilities of the Board, Local Governing Bodies, Headteachers, 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 policies.

The Propeller Academy Trust

Trustees' Report

Reserves Policy

The Trustees review the reserve levels of the Trust 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 Trustees also take into consideration the future plans of the Trust, the uncertainty over future income streams, and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. At the 31 August 2023 this requires free cash reserves of £358k. The reason for this is to provide sufficient working capital to cover delays between receipt of grants expenditure, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Due to the impact of utility costs in year, the reserves were reduced to £1.2 million. In 2023/24 the Trust is temporarily increasing its cash free reserves value to £600k to reflect the ongoing utility cost situation.

The total reserves are allocated as follows:

- £600k to meet the requirements of cash free reserves and utilities.
- £100k to support applications for CIF bids, in addition to routine capital outlay pending valuation costs.
- £500k to support funding not currently secured, due to the ongoing funding review, yet budgeted for expense.

The reserves as at 31 August 2023 were as follows:

- Unrestricted (free) reserves of £805,464 (2022: £566,988)
- A restricted fixed asset fund of £16,406,530 (2022: £13,955,203), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £432,000 (2022: £1,081,000)
- Other restricted funds of £426,089 (2022: £878,421)
- Total funds of £17,206,083 (2022: £14,319,612)

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Trust. Where cash flow allows, sums in excess of £85,000 may be invested on deposit for extended periods with the Trust's principal bankers or other reputable financial institutions.

The Trust received £16k in interest from investments in the accounting period.

The Propeller Academy Trust

Trustees' Report

Principal Risks and Uncertainties

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

Reputational

- Poor OFSTED inspection in one or more of our schools. The Trust has comprehensive quality assurance and governance processes including external SIP monitoring. Education performance is reported to the board at each meeting.
- Gaps in recruitment. The Trust relies on recruiting and retaining high quality staff and has developed a recruitment and retention strategy to offset risk. The Trust also identifies talent with clear succession planning as well as comprehensive CPD programmes accessing national qualifications. This remains particularly challenging at Bishopswood due to highly competitive local authorities. This is being mitigated through a taskforce focus.
- Substantial safeguarding issue. All trust schools are subject to internal and external safeguarding audits that focus on policy, process, recording, safer recruitment, and staff training.

Financial

- The impact of unfunded green book rises alongside linked funding not keeping pace with escalating costs. The Trust continues to work with commissioners and the Director of Children's Services to ensure fair and accurate funding agreements are in place.
- The continued impact of the cost of utilities mitigated through fixed term contracting.
- There remains an over reliance on government funding through the ESFA.
- Shortfall in pupil numbers and therefore income. This remains a low risk given the number of placement consultations across the Trust.
- Unforeseen expenses, including building works. This is mitigated through comprehensive estate planning and use of CIF funding. The Trust has identified serious concerns in its newly acquired premises at Bishopswood both with pupil safety, Access and Egress, and IT.

Failures in governance and / or management

- The risk in this area arises from the potential failure to effectively manage the Trust's finances, internal controls and compliance with regulations, legislation, and statutory returns. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks. A Risk Register is maintained, reviewed, and updated on a regular basis.
- The Trust central leadership team is under immense pressure following expansion and the Trust is awaiting outcomes of the free school bid process to allocate resource and is mindful of key person loss.
- IT infrastructure of the Trust is subject to upgrade in 2023.

Fraud and mismanagement of funds

- All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area. The Trust remains vigilant to cyber threats and breaches and have recently appointed its own IT manager.

The Propeller Academy Trust

Trustees' Report

Principal Risks and Uncertainties (continued)

Risk management

The Trustees and Executive Leaders assess risks that the schools and Trust face, especially in the operational areas (such as teaching and health & safety), and in relation to the control of finances. The Trust has maintained systems, including operational procedures and internal financial controls, to minimise risk. Where significant financial risk remains adequate insurance cover has been put in place.

The Trust has an effective system of internal financial controls, and this is explained in more detail in the Governance Statement. In addition, one Headteacher sits on the Local Authority funding forum, and the Chief Operations Officer sits on the Business Leader National network forum and the new forum of National Special Schools to ensure that the view of the DfE and County is reflected in our current thinking and risk is proactively managed.

Financial and Risk Management Objectives and Policies

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

The Trustees have assessed the major risks to which the Academies are exposed, in particular those relating to its finances, teaching, facilities, and other operational areas.

Whilst the Academies are currently oversubscribed, 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 Trust continues to work proactively with the County Council regarding the top up funding and retrospective uplifts.

The Trustees examine the financial health of the Trust formally, reviewing performance against budgets and overall expenditure by means of regular update reports at each Board meeting and monthly to the Chair of the Trust as required by the Academy Trust Handbook.

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

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Trust. However, as the Trustees consider that the Trust can 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.

All risks are reflected in the Trust's Risk Register and reviewed by the Finance, Audit and Risk Committee. The academies report on risk at all Local Governing Body and Executive meetings.

The Propeller Academy Trust

Trustees' Report

Fundraising

As part of its work within the community, the Trust undertakes fundraising activities to support its own operations and to make donations to local and national charities. The Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Trust during the year.

Plans for Future Periods

Key Objectives for the academic year 2023/2024

Strategic Developments

Specific activities planned for the forthcoming year under each of our five strategic objectives are set out below:

1. Outstanding outcomes for all children and young people across the trust
 - Review the curriculum offer in all schools.
 - Extend the trust wide CPD offer to enhance SEN pedagogical knowledge in our schools.
 - Review and refine assessment systems across the Trust.
 - Further develop schools' mental health wellbeing provision.
 - Extend learning opportunities beyond the classroom.
2. Prepare and support all children and young people to be happy, active, and lifelong integral members of their community
 - Implement 'pathways through life' curriculum in all of our schools.
 - Invest in high quality careers provision.
 - Develop extensive employer encounters and work experience.
 - Offer high quality community experiences for all pupils.
 - Develop a Trust 16-25 offer.
3. Effective investment in our staff
 - Continue to develop the number of means of recruitment methods to attract high-quality staff, ready for expansion.
 - Invest in talent identification and progression routes across the Trust, ready for further expansion.
 - Continue to commit to high quality CPD in all areas.
 - Use voice and employment engagement to improve performance and manage attendance.

The Propeller Academy Trust

Trustees' Report

Plans for Future Periods (continued)

4. Continually extend our reach to provide high quality support to as many students as possible
 - Develop a Trust wide outreach offer.
 - Further enhance leadership support outside of the Trust.
 - Continue to extend the number of schools through the free school route, sponsorship status, and voluntary conversion.
 - Enhance existing partnerships including those with our commissioners.
 - The development of after school and holiday provisions across the Trust.
 - Further develop the apprenticeship offering to engage new recruitment pools.
 - Actively bid through the CIF process to ensure the continued safety of our schools.

5. Maintain a sustainable business model to enable us to fulfil our strategic aims
 - Structure the central team to reflect growth opportunities.
 - Capitalise on leadership consultant opportunities.

Funds Held as Custodian Trustee on Behalf of Others

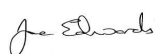
The Trust and its Directors do not act as Custodian Trustees of any other charity.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 November 2023 and signed on the board's behalf by:



Jane Edwards
Chair of Trustees

The Propeller Academy Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that our schools 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 Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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. The Accounting Officer is also responsible for reporting to the Board of Trustees, 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 Trustees' Report and in the Trustees' Responsibilities Statement. The Trustees have formally met seven times during the period ended 31 August 2023 and Governors a minimum of six times also.

Attendance during the period at meetings of the Board was as follows:

Name	Meetings attended	Of a possible
Tim Hodgson	6	7
Jane Edwards	7	7
Melanie Rogers	5	5
Elaine Ricks-Neal	3	3
John Chadwick	7	7
Debbie Buckley-Golder	5	7
Sarah Mitchell	5	7
Tom Pegler, Chief Executive Officer	7	7

Governors Attendance at Fitzwaryn September 2022 - August 2023:

Name	Meetings attended	Of a possible
Julie Maberley	2	2
Jeanne Lapsley	5	6
Stephanie Coneboy	6	6
Becky Broomfield	4	4
Jane Pierce	5	6
Barry Reynolds	0	1
Alan Bennett	5	6
Fiona Assersohn	4	4
Alan McPherson	6	6
David Shaw	5	6
Wayne Tica	6	6

The Propeller Academy Trust

Governance Statement

Governance (continued)

Governors Attendance at Kingfisher September 2022 – August 2023:

Name	Meetings attended	Of a possible
Fernando Nodal	5	6
Tess Whitehead	3	5
Lorraine Wilson	6	6
Cynthia Bartlett	5	6
Matthew Hill	6	6
Sarah Adair	4	6
Sam Shepherd	6	6
Carol Bousahla	6	6
Rachel Long	6	6

Governors Attendance at Bishopswood September 2022 – August 2023 (NB- Bishopswood was governed by an IEB from September- December with a new LGB formed in January):

IEB

Name	Meetings attended	Of a possible
Kevin Moyes	4	4
Mark Winch	3	4
Elaine Ricks-Neal	4	4
Tom Pegler	3	4

LGB

Name	Meetings attended	Of a possible
Alan McPherson	3	4
Mark Winch	4	4
Kristine Hicks	4	4
Ruth Kennell	1	1
Priya Bhagrath	4	4

The Propeller Academy Trust

Governance Statement

Governance (continued)

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. The Finance, Audit and Risk Committee provides guidance and assistance to the stakeholders on all matters related to finance, resources, premises and Health and Safety of the Trust. This includes 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 Trust and of public funds. The Chair of the Trust and the Chairs of LGBs receive monthly accounts in line with the Academy Trust Handbook.

Attendance at Finance, Audit and Risk Committee meetings in the year was as follows:

Name	Meetings attended	Of a possible
Tim Hodgson	1	3
Elaine Ricks-Neal	1	1
John Chadwick	3	3
Debbie Buckley-Golder	2	3

Conflicts of interest

The Trust requires all individuals identified as needing to complete a register of business interest to confirm the details held are accurate on an annual basis. All individuals are notified of the requirement to inform the Trust of any changes to their register at the earliest possible time and this is contained within the governance documents of the academies. All committee and board meeting agendas have, as standing items, the requirement to confirm the existence of any conflicts and that the registers are up to date.

Governance reviews

The Trust was subject to an NLG external review of progress in (March 2023). The review noted:

- This is a highly skilled and determined trust board. The relationship between the executive and non-executive arm of the trust is exemplary, each providing challenge and insight.
- The trust's standing with local authorities and across the wider SEN sector reflects the quality of provision and aspirations invested in their school communities.
- The highly self-evaluative culture and constant drive to improve would indicate that the ambitious journey being planned will be managed effectively, notwithstanding the challenges and complexities which tend to dominate the SEN landscape.
- It has been a pleasure revisiting the trust and being able to report on the significant progress made since the review.

The Propeller Academy Trust

Governance Statement

Review of Value for Money

As Accounting Officer, Tom Pegler 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 Trust has delivered improved value for money during the year by:

- The Headteachers and Chief Operations Officer regularly review staffing structure and deployment to ensure utility is based on the academic, social, and emotional needs of the children and young people. This results in operational redeployments during the year to ensure resources are used effectively as this is the biggest expenditure to the Trust.
- 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.
- This also provides benchmarking opportunities for service and value for money in other areas.
- The Trust also received a financial award through the CIF process to streamline suppliers as part of the acquisition of Bishopswood, which will ensure continued efficiency into 2023/24.
- The Trust recognises that the small number of school meals and the cost of a compliant meal service requires management subsidy. As part of the good value approach this contract is currently under review for local collaboration or service redesign.
- The Trust has also commenced a tendering process which is due to conclude in October 2024, which will see the use of robots in the cleaning contract, to fill unmanned vacancies and increase productivity at a lower rate.
- The Trust is also conducting a review into the commission charges of the utility provider to ensure best value is achieved.
- The Trust is mid-year on the streamlining of suppliers for IT and has reduced its infrastructure costs to merge finance platforms and, where possible, is planning for an increased number of schools with reduced impact.

It should be noted that the in-year inspection by the SMRA could find no cost savings and found the school structures to be correctly ratio-ed.

The Propeller Academy Trust

Governance Statement

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Propeller Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This year the Trust has undergone multiple reviews, both with external governance, the SMRA, fire inspection, and multiple checks following significant upgrades to one accounting platform, a central trust team, and the move to a new chart of accounts.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

- Comprehensive budgeting and monitoring systems
- An annual budget and periodic financial reports which are reviewed by the Trustees at every meeting and the Chair of the Trust monthly
- Regular reviews by the Local Governing Bodies of financial performance against budgets for each school
- Local Governing Bodies also review major purchase plans, capital works and expenditure programmes
- Financial performance against budget is available to Headteachers and the Chairs of Local Governing Bodies each month, to ensure any corrective action needed is identified on a timely basis
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Propeller Academy Trust

Governance Statement

The Risk and Control Framework (continued)

In addition to this check the financial team undertook several changes to the financial database in preparation for the acquisition of the new school. Following this work the external auditors verified opening balances and correct alignment to the new chart of accounts.

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of compliance with the Academy Trust Handbook

On an annual basis the auditor reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the Committee consider actions and assess year on year progress.

The Trust undertook financial inspections from the SMRA (no action or findings), the NGA (points to grow the number of members), and a fire inspection (which related to minor points on the new build project).

The Finance, Audit and Risk Committee set the schedule of review in November following the outcome of the external audit. The Directors will undertake checks on the Financial Regulations Manual, to reflect the impact of Bishopswood School joining the Trust and to ensure controls are fit for purpose for current expansion. This will be linked to a review of the procurement processes, to ensure systemic thinking and efficiency is maintained, and will support the Chief Operations Officer with managing procurement risk. Finally, the Directors will review guidance on Estates Management and deliver assurance in the area of asbestos, following the issue of RAAC.

The Propeller Academy Trust

Governance Statement

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 13 November 2023 and signed on its behalf by:



Jane Edwards
Chair of Trustees



Tom Pegler
Accounting Officer

The Propeller Academy Trust

Statement of 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, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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.

T Pegler

Tom Pegler
Accounting Officer
13 November 2023

The Propeller Academy Trust

Statement of Trustees' Responsibilities

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 in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 13 November 2023 and signed on its behalf by:



Jane Edwards
Chair of Trustees

The Propeller Academy Trust

Independent Auditor's 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 charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, 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 2019, and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Emphasis of matter – land and buildings valuation

We draw attention to note 1 in the financial statements which highlights, under "Critical accounting estimates and areas of judgement", that the Academy Trust has included an estimate of £2,501,205 for the fair value of the land and buildings in respect of Bishopswood School. The Academy Trust has requested a valuation from the ESFA, but this has not been received at the date of approval of the financial statements.

Should the valuation prove to be materially higher or lower than the estimate of the value currently included in the accounts an adjustment will be required to the Balance Sheet and Statement of Financial Activities to recognise the increase or decrease in the valuation. Our opinion is not modified in respect of this matter.

The Propeller Academy Trust

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 auditor's report thereon. It 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

The Propeller Academy Trust

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The Propeller Academy Trust

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

Our responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, 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 2019, the Academy Trust Handbook 2022, and the Academies Accounts Direction 2022 to 2023.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence, and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

The Propeller Academy Trust

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Flood

J Flood ACA (Senior statutory auditor)
For and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

29 Nov 2023
Date

The Propeller Academy Trust

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 6 April 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Propeller Academy Trust during the period 1 September 2022 to 31 August 2023 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 the 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 The Propeller Academy Trust and the 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 23 December 2022 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

The Propeller Academy Trust

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the 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:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2022) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

The Propeller Academy Trust

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

James Flood

J Flood ACA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

29 Nov 2023
Date

The Propeller Academy Trust

Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Income and endowments from:							
Donations and capital grants	2	81,169	-	-	259,632	340,801	870,426
Transfer from local authority on conversion		16,398	-	(137,000)	2,501,205	2,380,603	-
Other trading activities	4	98,616	-	-	-	98,616	151,146
Investments	5	15,987	-	-	-	15,987	152
Charitable activities:							
Funding for the academy trust's educational operations	3	26,306	6,924,833	-	-	6,951,139	4,889,058
Total		238,476	6,924,833	(137,000)	2,760,837	9,787,146	5,910,782
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	7,319,996	258,000	366,679	7,944,675	6,070,683
Net income / (expenditure)		238,476	(395,163)	(395,000)	2,394,158	1,842,471	(159,901)
Transfers between funds	17	-	(57,169)	-	57,169	-	-
Other recognised gains / (losses):							
Actuarial gains on defined benefit pension schemes	26	-	-	1,044,000	-	1,044,000	4,816,000
Net movement in funds		238,476	(452,332)	649,000	2,451,327	2,886,471	4,656,099
Reconciliation of funds							
Total funds brought forward		566,988	878,421	(1,081,000)	13,955,203	14,319,612	9,663,513
Total funds carried forward		805,464	426,089	(432,000)	16,406,530	17,206,083	14,319,612

The notes on pages 41 to 67 form part of these financial statements.


The Propeller Academy Trust

Balance Sheet as at 31 August 2023

Company Number 08340120

		(Restated - see note 12)			
	Note	2023	2023	2022	2022
		£	£	£	£
Fixed assets					
Tangible assets	13		16,392,536		13,955,203
Current assets					
Debtors	14	233,872		212,688	
Investments	15	500,025		550,000	
Cash at bank and in hand		954,581		966,586	
		<u>1,688,478</u>		<u>1,729,274</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(442,931)</u>		<u>(283,865)</u>	
Net current assets			<u>1,245,547</u>		<u>1,445,409</u>
Total assets less current liabilities			17,638,083		15,400,612
Defined benefit pension scheme liability	26		(432,000)		(1,081,000)
Total net assets			<u>17,206,083</u>		<u>14,319,612</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	16,406,530		13,955,203	
Restricted income fund	17	426,089		878,421	
Pension reserve	17	<u>(432,000)</u>		<u>(1,081,000)</u>	
Total restricted funds			16,400,619		13,752,624
Unrestricted income funds	17		805,464		566,988
Total funds			<u>17,206,083</u>		<u>14,319,612</u>

The financial statements on pages 38 to 67 were approved by the Trustees and authorised for issue on 13 November 2023 and are signed on their behalf by:



Jane Edwards
Chair of Trustees

The notes on pages 41 to 67 form part of these financial statements.

The Propeller Academy Trust

Statement of Cash Flows for the year ended 31 August 2023

		(Restated - see note 12)	
	Note	2023	2022
		£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(34,792)	(84,285)
Cash flows from investing activities	22	22,787	(583,652)
Change in cash and cash equivalents in the reporting period		<u>(12,005)</u>	<u>(667,937)</u>
Cash and cash equivalents at 1 September 2022		966,586	1,634,523
Cash and cash equivalents at 31 August 2023	23	<u>954,581</u>	<u>966,586</u>

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

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 company 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.

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.

- 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.

- 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 period 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.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

Income (continued)

- 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.

- Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- Transfer on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds, restricted pension funds, and restricted fixed asset funds.

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.

- 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.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

Depreciation is provided on all tangible fixed assets other than 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:

Leasehold Land and Buildings	2% straight line on buildings; over the term of the lease on land
Furniture and Equipment	20% straight line
Computer Equipment	33% straight line
Motor Vehicles	20% straight line

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

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.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

Leased Assets

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

Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

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 basis are as follows:

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

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

Notes to the Financial Statements for the Year Ended 31 August 2023

Pensions Benefits

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 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 based on 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 net income/(expenditure) 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.

Fund Accounting

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

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

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

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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 Academy Trust has included an estimate of £2,501,205 for the fair value of the land and buildings in respect of Bishopswood School. The Academy Trust has requested a valuation from the ESFA, but this has not been received at the date of approval of the financial statements. The fair value of the leasehold land and buildings has been estimated by the Trust based on an existing local authority valuation. This estimate has been used in the accounts whilst the Trustees await a value in use valuation from the ESFA, at which point the value will be adjusted in the accounts.

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 (income) for pensions include the discount rate. Any changes in these assumptions 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

The assumptions used are disclosed in note 26.

Critical areas of judgement

There are no other critical areas of judgement.

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Capital grants	-	259,632	259,632	865,134
Other donations	81,169	-	81,169	5,292
	<u>81,169</u>	<u>259,632</u>	<u>340,801</u>	<u>870,426</u>
Total 2022	<u>5,292</u>	<u>865,134</u>	<u>870,426</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	2,652,630	2,652,630	2,140,000
Pupil Premium	-	93,083	93,083	72,292
UIFSM	-	4,083	4,083	5,077
PE and sports grant	-	39,636	39,636	32,810
Other DfE grants	-	316,096	316,096	46,417
	<u>-</u>	<u>3,105,528</u>	<u>3,105,528</u>	<u>2,296,596</u>
Other government grants				
Local authority grants	-	3,819,305	3,819,305	2,573,889
Other income from the Academy Trust's educational operations				
Catering income	26,306	-	26,306	18,573
	<u>26,306</u>	<u>6,924,833</u>	<u>6,951,139</u>	<u>4,889,058</u>
Total 2022	<u>18,573</u>	<u>4,870,485</u>	<u>4,889,058</u>	

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	29,235	-	29,235	43,052
Other trading income	69,381	-	69,381	108,094
	<u>98,616</u>	<u>-</u>	<u>98,616</u>	<u>151,146</u>
Total 2022	<u>151,146</u>	<u>-</u>	<u>151,146</u>	

5 Investment income

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Short term deposits	15,987	-	15,987	152
	<u>152</u>	<u>-</u>	<u>152</u>	
Total 2022	<u>152</u>	<u>-</u>	<u>152</u>	

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2022/23 £	Total 2021/22 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	5,245,385	-	291,473	5,536,858	3,880,350
Allocated support costs	870,970	651,873	884,974	2,407,817	2,190,333
	<u>6,116,355</u>	<u>651,873</u>	<u>1,176,447</u>	<u>7,944,675</u>	<u>6,070,683</u>
Total 2022	<u>4,800,241</u>	<u>388,490</u>	<u>881,952</u>	<u>6,070,683</u>	

Net income/(expenditure) for the period includes:

	2022/23 £	2021/22 £
Operating lease rentals	2,547	2,938
Depreciation	366,679	325,215
Fees payable to auditor for:		
Audit	15,100	11,025
Other services	<u>6,120</u>	<u>2,510</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the Academy Trust	227	-	-

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

7 Charitable activities

	2022/23 Total £	2021/22 Total £
Direct costs – educational operations	5,536,858	3,880,350
Support costs – educational operations	2,407,817	2,190,333
	<u>7,944,675</u>	<u>6,070,683</u>

Analysis of support costs:

	Educational operations £	2022/23 Total £	2021/22 Total £
Support staff costs	870,970	870,970	1,134,021
Depreciation	366,679	366,679	325,215
Technology costs	59,246	59,246	53,889
Premises costs	651,873	651,873	388,490
Other support costs	444,049	444,049	268,448
Governance costs	15,000	15,000	20,270
Total support costs	<u>2,407,817</u>	<u>2,407,817</u>	<u>2,190,333</u>
Total 2022		<u>2,190,333</u>	<u>2,190,333</u>

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

8 Staff

a) Staff costs

Staff costs during the period were:

	2022/23	2021/22
	£	£
Wages and salaries	4,323,249	3,175,825
Social security costs	371,913	261,384
Pension costs	1,103,353	1,320,125
	<u>5,798,515</u>	<u>4,757,334</u>
Agency staff costs	317,840	42,907
	<u>6,116,355</u>	<u>4,800,241</u>

b) Staff numbers

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

	2022/23	2021/22
	No.	No.
Teachers	40	27
Administration and support	140	107
Management	12	8
	<u>192</u>	<u>142</u>

c) Higher paid staff

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

	2022/23	2021/22
	No.	No.
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£110,001 - £120,000	1	-

d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,004,398 (2022: £673,202).

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

9 Related Party Transactions – Trustees’ remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. Remuneration is only paid in respect of services provided undertaking staff roles under contracts of employment.

The value of Trustees’ remuneration and other benefits was as follows:

		2022/23	2021/22
		£000	£000
Thomas Pegler	Remuneration	115-120	30-35
(Trustee and CEO from 1 April 2022)	Employer’s pension contributions paid	25-30	5-10

During the period ended 31 August 2023, travel and subsistence expenses totalling £3,731 were reimbursed or paid directly to one Trustee (2022: none).

10 Trustees’ and officers’ insurance

The Academy Trust has opted into the Department for 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 £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

11 Central services

The Academy Trust has provided the following central services to its academies during the year:

- IT
- Finance
- Health and safety
- School improvement
- Human resources
- Recruitment
- Media
- Grant support

The Academy Trust charges for these services in proportion to the number of pupils. The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£	£
Bishopswood School	76,357	-
Fitzwaryn School	129,317	-
Kingfisher School	127,849	-
	<u>333,523</u>	<u>-</u>

12 Prior year adjustment

In the prior year, bank deposits of £300,000 (with a nine month maturity) and £250,000 (with a twelve month maturity) were incorrectly classified as cash at bank and in hand. The comparatives have been adjusted to present the balances as current asset investments. There is no effect on the result for the prior year or total funds as at 31 August 2022.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

13 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2022	15,947,292	464,720	122,660	39,270	16,573,942
On conversion	2,501,205	-	-	-	2,501,205
Acquisitions	181,200	96,668	24,939	-	302,807
At 31 August 2023	<u>18,629,697</u>	<u>561,388</u>	<u>147,599</u>	<u>39,270</u>	<u>19,377,954</u>
Depreciation					
At 1 September 2022	2,081,396	383,267	122,660	31,416	2,618,739
Charged in year	307,380	43,132	8,313	7,854	366,679
At 31 August 2023	<u>2,388,776</u>	<u>426,399</u>	<u>130,973</u>	<u>39,270</u>	<u>2,985,418</u>
Net book values					
At 31 August 2022	13,865,896	81,453	-	7,854	13,955,203
At 31 August 2023	<u>16,240,921</u>	<u>134,989</u>	<u>16,626</u>	<u>-</u>	<u>16,392,536</u>

14 Debtors

	2022/23 £	2021/22 £
Trade debtors	67,387	42,189
VAT recoverable	9,363	156,299
Prepayments and accrued income	157,122	14,200
	<u>233,872</u>	<u>212,688</u>

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

15 Current asset investments

	(Restated - see note 12)	
	2022/23	2021/22
	£	£
Bank deposits	500,025	550,000

16 Creditors: amounts falling due within one year

	2022/23	2021/22
	£	£
Trade creditors	53,304	26,188
Other taxation and social security	90,458	66,920
Other creditors falling due within one year	116,007	87,057
Accruals and deferred income	183,162	103,700
	<u>442,931</u>	<u>283,865</u>
	2022/23	2021/22
	£	£
Deferred income at 1 September 2022	22,700	60,251
Released from previous years	(22,700)	(60,251)
Resources deferred in the year	36,162	22,700
Deferred income at 31 August 2023	<u>36,162</u>	<u>22,700</u>

At the balance sheet date the Academy Trust was holding funds received in advance for lettings and grant income relating to the forthcoming financial year.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	878,421	2,652,630	(3,047,793)	(57,169)	-	426,089
Pupil premium	-	93,083	(93,083)	-	-	-
UIFSM	-	4,083	(4,083)	-	-	-
PE and sports grant	-	39,636	(39,636)	-	-	-
Other DfE grants	-	316,096	(316,096)	-	-	-
Local authority grants	-	3,819,305	(3,819,305)	-	-	-
	878,421	6,924,833	(7,319,996)	(57,169)	-	426,089
Pension reserve	(1,081,000)	(137,000)	(258,000)	-	1,044,000	(432,000)
	(202,579)	6,787,833	(7,577,996)	(57,169)	1,044,000	(5,911)
Restricted fixed asset funds						
Fixed asset fund	13,955,203	2,501,205	(366,679)	302,807	-	16,392,536
ESFA capital grants (DFC)	-	79,719	-	(65,725)	-	13,994
Other capital grants	-	179,913	-	(179,913)	-	-
	13,955,203	2,760,837	(366,679)	57,169	-	16,406,530
Total restricted funds	13,752,624	9,548,670	(7,944,675)	-	1,044,000	16,400,619
Total unrestricted funds	566,988	238,476	-	-	-	805,464
Total funds	14,319,612	9,787,146	(7,944,675)	-	1,044,000	17,206,083

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre- and post-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on capital improvements.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2022/23	2021/22
	£	£
Bishopswood School	(36,853)	-
Fitzwaryn School	903,575	911,973
Kingfisher School	364,831	533,436
Total before fixed assets and pension reserve	1,231,553	1,445,409
Restricted fixed asset fund	16,406,530	13,955,203
Pension reserve	(432,000)	(1,081,000)
Total	17,206,083	14,319,612

The following academy is carrying a net deficit on its portion of the funds as follows:

	£
Bishopswood School	36,853

The Academy Trust is taking the following action to return the academy to surplus:

The deficit has arisen for two factors. The building is unsafe and not fit for purpose which has resulted in significant financial investment, for example a health and safety pager system, general expenditure on furniture, and one-off charges as a result of the conversion. The wider issue is that staff received retention allowances to enable us to recruit. The school is located in a five-mile radius of three other counties which pay more both in placement of child and staff pay rates. This matter is being raised with the Oxfordshire County Council Director of Children's Services for additional funding and, if that is not successful, admissions will favour local counties rather than Oxfordshire County Council.

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 (excl. depreciation)	2022/23 Total	2021/22 Total
	£	£	£	£	£	£
Bishopswood School	1,028,370	192,193	87,786	237,990	1,546,339	-
Fitzwaryn School	2,149,250	368,861	94,036	451,541	3,063,688	2,817,375
Kingfisher School	2,067,765	309,916	109,651	480,637	2,967,969	2,928,093
	5,245,385	870,970	291,473	1,170,168	7,577,996	5,745,468

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	1,043,208	2,140,000	(2,270,983)	(33,804)	-	878,421
Pupil premium	-	72,292	(72,292)	-	-	-
UIFSM	-	5,077	(5,077)	-	-	-
PE and sports grant	-	32,810	(32,810)	-	-	-
Other DfE grants	-	46,417	(46,417)	-	-	-
Local authority grants	-	2,573,889	(2,573,889)	-	-	-
	1,043,208	4,870,485	(5,001,468)	(33,804)	-	878,421
Pension reserve	(5,153,000)	-	(744,000)	-	4,816,000	(1,081,000)
	(4,109,792)	4,870,485	(5,745,468)	(33,804)	4,816,000	(202,579)
Restricted fixed asset funds						
Fixed asset fund	13,381,480	-	(325,215)	898,938	-	13,955,203
ESFA capital grants (DFC)	-	18,713	-	(18,713)	-	-
ESFA capital grants (CIF)	-	834,771	-	(834,771)	-	-
Donated fixed assets	-	11,650	-	(11,650)	-	-
	13,381,480	865,134	(325,215)	33,804	-	13,955,203
Total restricted funds	9,271,688	5,735,619	(6,070,683)	-	4,816,000	13,752,624
Total unrestricted funds	391,825	175,163	-	-	-	566,988
Total funds	9,663,513	5,910,782	(6,070,683)	-	4,816,000	14,319,612

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

18 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	16,392,536	16,392,536
Current assets	805,464	869,020	-	13,994	1,688,478
Current liabilities	-	(442,931)	-	-	(442,931)
Pension scheme liability	-	-	(432,000)	-	(432,000)
Total net assets	805,464	426,089	(432,000)	16,406,530	17,206,083

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

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	13,955,203	13,955,203
Current assets	566,988	1,162,286	-	-	1,729,274
Current liabilities	-	(283,865)	-	-	(283,865)
Pension scheme liability	-	-	(1,081,000)	-	(1,081,000)
Total net assets	566,988	878,421	(1,081,000)	13,955,203	14,319,612

19 Capital commitments

	2022/23 £	2021/22 £
Contracted for, but not provided in the financial statements	-	188,136

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

20 Long-term commitments, including operating leases

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022/23	2021/22
	£	£
Amounts due within one year	782	2,657
Amounts due between one and five years	-	446
	<u>782</u>	<u>3,103</u>

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022/23	2021/22
	£	£
Net income / (expenditure) for the reporting period	1,842,471	(159,901)
Adjusted for:		
Depreciation	366,679	325,215
Capital grants from DfE and other capital income	(259,632)	(865,134)
Interest receivable	(15,987)	(152)
Defined benefit pension scheme cost less contributions payable	204,000	653,000
Defined benefit pension scheme finance cost	54,000	91,000
Transfer from local authority on conversion	(2,380,603)	-
Cash transferred on conversion	16,398	-
Increase in debtors	(21,184)	(147,363)
Increase in creditors	159,066	19,050
Net cash used in Operating Activities	<u>(34,792)</u>	<u>(84,285)</u>

22 Cash flows from investing activities

	2022/23	2021/22
	£	£
Dividends, interest and rents from investments	15,987	152
Decrease / (increase) in current asset investments	49,975	(550,000)
Purchase of intangible fixed assets	-	(898,938)
Purchase of tangible fixed assets	(302,807)	-
Capital grants from DfE Group	79,719	18,713
Capital funding received from sponsors and others	179,913	846,421
Net cash provided by / (used in) investing activities	<u>22,787</u>	<u>(583,652)</u>

(Restated -
see note 12)

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

23 Analysis of cash and cash equivalents

	(Restated - see note 12)	
	2022/23	2021/22
	£	£
Cash at bank and in hand	954,581	966,586

24 Analysis of changes in net debt

	At 1 September 2022 (restated)	Cash flows	Acquisition/ disposal of subsidiaries	New finance leases	Other non-cash changes	At 31 August 2023
	£	£	£	£	£	£
Cash	966,586	(12,005)	-	-	-	954,581
Total	966,586	(12,005)	-	-	-	954,581

25 Member 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.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

26 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £110,588 were payable to the schemes at 31 August 2023 (2022: £48,417) 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

26 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £450,506 (2022: £332,760).

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 2023 was as follows:

	2023	2022
	£	£
Employer's contributions	449,000	288,000
Employees' contributions	134,000	85,000
	<u>583,000</u>	<u>373,000</u>

The agreed contribution rates for future years are 19.8% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
Rate of increase in salaries	3.0%	3.1%
Rate of increase for pensions in payment/inflation	3.0%	3.1%
Discount rate for scheme liabilities	5.2%	4.3%
Inflation assumption (CPI)	3.0%	3.1%
Commutation of pensions to lump sums	<u>50.0%</u>	<u>50.0%</u>

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

	2023	2022
Retiring today		
Males	22.1	22.2
Females	<u>24.7</u>	<u>24.5</u>
Retiring in 20 years		
Males	22.6	23.1
Females	<u>25.7</u>	<u>26.1</u>

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

26 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2023	2022
	£	£
Discount rate +0.1%	(146,000)	(149,000)
Discount rate -0.1%	146,000	149,000
Mortality assumption – 1 year increase	248,000	242,000
Mortality assumption – 1 year decrease	(248,000)	(242,000)
CPI rate +0.1%	139,000	187,000
CPI rate -0.1%	(139,000)	(97,000)

The Academy Trust's share of the assets in the scheme were:

	2023	2022
	£	£
Equities	3,401,000	3,718,000
Gilts	1,844,000	744,000
Property	346,000	446,000
Cash and other liquid assets	173,000	49,000
Total market value of assets	<u>5,764,000</u>	<u>4,957,000</u>

The actual return on scheme assets was a gain of £178,000 (2022: a loss of £201,000).

Amount recognised in the Statement of Financial Activities

	2022/23	2021/22
	£	£
Current service cost	653,000	941,000
Interest income	(224,000)	(82,000)
Interest cost	278,000	173,000
Total amount recognised in the SOFA	<u>707,000</u>	<u>1,032,000</u>

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

26 Pension and similar obligations (continued)

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

	2022/23	2021/22
	£	£
At 1 September	6,038,000	9,995,000
Conversion of Academy Trusts	252,000	-
Current service cost	653,000	941,000
Interest cost	278,000	173,000
Employee contributions	134,000	85,000
Actuarial gain	(1,090,000)	(5,099,000)
Benefits paid	(69,000)	(57,000)
At 31 August	<u>6,196,000</u>	<u>6,038,000</u>

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

	2022/23	2021/22
	£	£
At 1 September	4,957,000	4,842,000
Conversion of Academy Trusts	115,000	-
Interest income	224,000	82,000
Actuarial loss	(46,000)	(283,000)
Employer contributions	449,000	288,000
Employee contributions	134,000	85,000
Benefits paid	(69,000)	(57,000)
At 31 August	<u>5,764,000</u>	<u>4,957,000</u>

27 Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2023 the Academy Trust received £3,095 and disbursed £3,095 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that are repayable to ESFA. Comparatives for the accounting period ended 31 August 2022 are £2,612 received, £2,612 disbursed and £nil included in other creditors.

The Propeller Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

29 Academy trust with a newly converted academy

On 1 January 2023 Bishopswood School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Academy Trust from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Un-restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold Land and Buildings	-	-	-	2,501,205	2,501,205
Current assets					
Cash - budget surplus on LA funds	16,398	-	-	-	16,398
Pension scheme liability	-	-	(137,000)	-	(137,000)
Net assets/(liabilities)	<u>16,398</u>	<u>-</u>	<u>(137,000)</u>	<u>2,501,205</u>	<u>2,380,603</u>