

Company Registration Number: 08340120 (England & Wales)

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul McConaghy Davina McKay (Appointed 1 September 2020) Philip Hutchinson Ellen Moran
Trustees	Gay Campbell, Chair Timothy Hodgson John Chadwick David Kadarauch (Resigned 29 July 2021) Sarah Mitchell Rebecca Scales Dylan Thomas Deborah Buckley-Golder (Appointed 1 September 2021) Jane Edwards (Appointed 4 January 2021)
Company registered number	08340120
Company name	The Propeller Academy Trust
Principal and registered office	Fitzwaryn School Denchworth Road Wantage Oxon OX12 9ET
Company Secretary / Chief Operations Officer / Chief Finance Officer	Tracey Stratton
Accounting Officer	Stephanie Coneboy
Senior management team	Fitzwaryn School Stephanie Coneboy, Headteacher and Accounting Officer Jane Edwards, Deputy Headteacher until 31st December 2020 Chris Slatter, Assistant Headteacher until 31st December 2020 Chris Slatter and Tracy Gardiner, Joint Deputy Headteachers, from 1st January 2021 Rebecca Broomfield, Head of Accreditation and Transition, left August 2021 Kingfisher School Lorraine Wilson, Headteacher Kate Downes, Deputy Headteacher Lorraine Green, Assistant Headteacher
Independent auditors	James Cowper Kreston 2 Communications Road Greenham Business Park Greenham Newbury Berkshire RG19 6AB

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Bankers Lloyds Bank plc
8 Ock Street
Abingdon
OX14 5AP

Solicitors Knights plc
Midland House
Westway
Oxford
OX2 0PH

THE PROPELLER ACADEMY TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors of The Propeller Academy Trust (Company number 08340120 'the charitable company') present their annual report together with the audited financial statements for the year ending 31 August 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Details of the Directors who served during the period are included in the Reference and Administrative Details on page 1.

The Trust operates 2 special academies in the South Oxfordshire Area. Its academies have a combined pupil capacity of 220 and had a roll of 220 in the census in October 2021.

Members' Liability

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

During the year the Trust appointed a 4th member ensuring that no person was considered to have significant control. The Trust complies to the statutory requirement of 3 and will continue to work towards the suggested 5.

Directors and Governors Indemnities

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

Principal Activities

The principal activity of the Trust is to advance the education of children with special needs, from the age of 2-19, offering a broad and balanced curriculum, specialising in, but not limited to Moderate Learning Difficulties, Severe Learning Difficulties and Profound and Multiple Learning Difficulties.

Method of Recruitment and Appointment or Election of Directors

On 1st February 2013, the Members appointed all the Governors, that served the predecessor school as Directors of the newly formed Academy. These Directors 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 Member, Director and Governor level, bringing greater rigour to the Trust.

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

- up to 10 Directors, who are appointed by the Members (7) and Directors (3)
- of which up to 2 Parent Directors who are elected by the parents of registered pupils at the Academy if there are no parents at the local committee level.

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- of which up to 1 Staff member, limited to the role of the CEO (provided that the total number of Directors who are employees of the Academy does not exceed one third of the total number of Directors)

Directors are appointed for a 4 year period, except that this time limit does not apply to the Chief Executive Officer.

(Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.)

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

In January 2021 the Board welcomed an experienced educational specialist to the team – Jane Edwards. This appointment fulfils an important component of a balanced Board to provide support to the executive team in building and developing the Trust provision with an extensive SEN educationalist's knowledge.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of schools within the Trust and a chance to meet staff and pupils and a plan set by the Chair to facilitate knowledge. Induction is informally tailored specifically to the individual.

Directors appointed in the previous academic year experienced delays in visiting schools due to Covid-19 and restrictions on non-essential visitors. Some completed virtual tours of the schools, and all have fully engaged in the governance of the Trust.

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

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

In 2020/21 we have continued our membership to the 'Better Governance' scheme to enhance standards. A skills assessment was completed during the year and internal training and awareness sessions were undertaken to address weaker areas of knowledge.

The same facilities are extended to the Local Governance teams to ensure consistency and understanding across the Trust.

Organisational Structure

The Trust Board meets at least twice each term with an additional annual meeting with the external auditor for consideration and approval of the annual accounts. The Trust Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Sub-Committees of the Trust and the local Governing Body (LGB) for each constituent school. It receives reports, including policies, from its Local Governing Bodies (LGB) 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 four Committees of the Trust as follows:

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

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

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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
- To appoint the Company Secretary
- To appoint the Chief Operations Officer

The Directors 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 budgets
- Approving annual report and accounts
- Ensuring the monitoring of progress against objectives through data, external verification, and Local Governing Body activity
- Decisions about the direction of individual schools within the Trust in conjunction with the Local Governing Body
- Major Capital expenditure
- The use of reserves
- Key staff appointments
- Health and Safety policy
- Safeguarding policy

The Directors have devolved the day-to-day management of the constituent schools to their respective Headteacher, Senior Leadership Team ('SLT') and Governors.

SLT teams include the Head Teachers, Deputy Head Teachers, Assistant Head Teachers and the Chief Operations Officer of the Trust as a minimum. SLTs implement the policies laid down by the Directors and Governors and report back to them on performance.

It should be noted that in response to Covid19 the Trust has moved to virtual meeting platforms such as Zoom and Teams to ensure business continues to operate.

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade union facility time

- The Trust has no employees who are relevant union officials
- There was no time spent on facility time
- There was no pay bill

The Trust subscribes to a membership in Oxfordshire County Council to develop union support for staff to meet its legal requirement.

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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 Academy. Both schools in the Trust have active Parent Teacher Associations.

Engagement with Employees (including disabled persons)

The Trust does not have more than 250 employees and is therefore exempt from reporting on engagement with staff.

Engagement with suppliers, customers, and others in business relations with the Trust

The Trust is not required to report on this matter as two of the three qualifications are not consistently met over 2 years (qualifications being: - Income over £36m, Gross assets over £18m and more than 250 employees).

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

The aims of the Trust during the period ended 31 August 2021 (in no priority order) are summarised below:

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

Objectives, Strategies and Activities

The key priorities for the period are contained in the School Development Plan (SDP) for each school within the Trust, which is available from the relevant Headteacher.

The main activities of the Trust and schools for the period ended 31 August 2021 were as follows:

Leadership and Management

- Succession planning for all levels of SLTs

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- Both Schools continued to focus on excellent facilities and experiences for children with new play equipment, classroom refurbishments and IT upgrades
- Both schools successfully addressed the continuing and changing requirements in respect of Covid-19, ensuring the safety of pupils and staff and maintaining the quality of educational provision within the additional constraints. Several parents provided excellent feedback regarding the support and offering through Covid
- The Trust continues to meet all compliance requirements
- High parental and stakeholder engagement was maintained through use of Zoom, remote offering, in person and by telephone
- Successful sponsorship for the feasibility of extending one school was obtained
- The academic offering provided excellent accreditation outcomes and personal achievements, (see achievements and performance listed below)
- The schools presented strategy papers to Directors on IT, 6th Form development and Outdoor learning
- Despite phenomenal pressure the schools remained open and well attended during Covid, except for one week
- Creation of new sponsorship and grant connections
- Engagement with a small number of academies/schools to inform strategic planning for development of the Trust

Student Achievement

Student achievement at the Trust is measured in several ways, not only through academic results but through the annual Education Health Care Plan (EHCP) with all stakeholders. This process ensures that every child meets their potential and goals.

Some notable achievements this year (but not limited to) include: -

- Horse Riding
- Learning to Swim
- Students worked in partnership with our contract teams to undertake regular and consistent work in our school kitchen, learning jobs ready for employment
- Learning to ride bikes
- Some children learned dining etiquette and made significant steps in travelling in the community
- Children and staff learned to communicate with technology and improved IT resources and increased teaching diversity
- 6th form students researching and planning resources
- All children took part in fundraising for the community and have raised over £500 to support good causes, despite Covid. (Including McMillon and the Poppy Appeal)

Teaching and Learning Improvement and Focus Strategies

- All children had and continue to have robust 'catch up plans' for those who were identified as falling behind with their learning or a Restorative Curriculum to have a positive impact on pupils during and beyond COVID 19, including home learning strategies
- Subject leadership was strengthened with the creation of Teaching and Learning Responsibility (TLR) posts
- Mental wellbeing remained a focus for all children and staff with the support of Smart Clinic
- Development of an Eye Gaze centre for a communication and learning tool in 2021/22
- Music therapy for creative arts expression as a cross curricula development was researched and appointed for 2021/22 for the second school in the Trust
- Most able children were specially challenged through specialist sports coaching and academic groups for core subjects, for example for English and Maths. The success of this is demonstrated in the high-level achievement ASDAN gold awards
- New curriculum implemented to focus on personal, social and independence to access the community
- Development and growth of a nurture room in relation to supporting behaviour ready for 2021/22

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- A Personal, Social, Health and Economic (PHSE) and Sex Education curriculum is in place in line with statutory guidance for implementation in September 2021
- Early Years Foundation Stage (EFYS) – staff suitably trained on aspects of the new curriculum in readiness for national changes in EYFS that come into force September 2021 including the base line assessment requirement

Behaviour and Safety

- Increased behaviour strategies for teachers to access, which subsequently led to a new behaviour policy which now includes a greater emphasis on pupil voice and engagement – recognised by the SIP partner as excellent practise
- Outside of the classroom engagement was purposeful and well-structured to ensure all pupils are well supported including new external equipment which was installed
- Initiatives included Team Teach, relaxing strategies, strategically using educational activities and facilities to keep children focused were extended to all staff
- Both schools perform above the national average for attendance and proactively monitor persistent absence to ensure early safeguarding signs are well managed
- Independent external verification for safeguarding graded the inspected school as outstanding
- There continues to be Team Teach trainers within the Academy as well as Hoist trainers and NEBOSH advisors
- After school and Holiday Club provision continued to support parents during the pandemic

Effectiveness of the Sixth Form

- 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
- Both schools have active involvement in the community including, where appropriate, work experience placements
- Development of independent residential living strategy has been identified for the next 3 years
- A virtual careers and options fair took place for parents and students with representatives from Colleges present
- Numerous Business enterprise projects for garden horticulture in the community and houseware sales were developed
- Despite Covid community visits and activities were instigated
- All students who left year 14 achieved their National Open College Network (NOCN) qualifications at a diploma or award level

Public Benefit

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

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

The Academy has continued to work on the priorities set out in school improvement plans approved by the Local Governing Bodies.

STRATEGIC REPORT

The schools within the Academy Trust have continued to work on the priorities set out in September 2020 approved by their respective Governing Bodies.

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- Pupil attendance remains better than the national average for special schools in the country
- Academic achievements demonstrate a variety of exams and outcomes in a broad curriculum
- Transition destinations showed students successfully transitioning to a mainstream college
- Ofsted Grades remain secure with 'Good' and 'Outstanding'
- External verification was reported to the Board by a School Improvement Partner
- External verification was reported to the Board by the External Responsible Officer
- Both schools in the Trust have provided Directors with educational strategies for the next 3 -5 years
- The schools continue to focus on their green credentials
- Both Schools continue to be at full capacity with waiting lists
- The Trust has continued to manage the risk of Brexit with international employees, and more recently the food chain

Both Schools and the Trust remain financially secure and continue to manage the ongoing challenges of Covid. The Trust continually works with the Local Authority to further expand its provision in line with the SEN Oxfordshire plan

ACHIEVEMENTS AND PERFORMANCE

The total number of pupils in the period ended 31 August 2021 was 220, the Trust continues to have 'waiting' lists and pupil demand is high for both schools

The Academy is committed to continual improvement, which is achieved in several ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

Staff training to support children remains high, with 3 days being achieved for medical and wellbeing. Evening Training session (Twilights) are well attended not only by teachers but by support staff and significant work took place to strengthen teams to improve child support.

Year 11

Kingfisher ASDAN Transition Challenge Award	3 pupils
Fitzwaryn ASDAN Personal Development Gold Award	7 pupils
Fitzwaryn ASDAN Personal Development Silver Award	2 pupils
Fitzwaryn ASDAN Personal Progress Entry Level 1	1 pupil

Year 12

Kingfisher ASDAN Transition Challenge Award	4 pupils
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Year 14

Kingfisher ASDAN Transition Challenge Award	1 pupil
Fitzwaryn NOCN Level 2 Independent Living	1 pupil
Fitzwaryn NOCN Level 1 Independent Living	3 pupils
Fitzwaryn NOCN Entry Level Independent Living	1 pupil
Fitzwaryn NOCN Pathways To Adulthood	5 pupils

Fitzwaryn Duke of Edinburgh Bronze Award	4 pupils - a further 6 pupils pending expedition only
Kingfisher Duke of Edinburgh Bronze Award	2 pupils

Destinations July 2021

Year 11

Kingfisher Post 16	5 pupils
Fitzwaryn Abingdon and Witney College (Abingdon Campus)	2 pupils
Fitzwaryn Post 16	7 pupils

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Year 13

Specialist Out of County Provision	1 pupil
Kingfisher ASDAN Personal Progress Certificate	1 pupil

Year 14

Kingfisher Abingdon and Witney College (Witney Campus)	4 pupils
Fitzwaryn Abingdon and Witney College (Abingdon Campus)	3 pupils
Fitzwaryn Abingdon and Witney College (Witney Campus)	2 pupils

Key Performance Indicators

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2021, the balance of the GAG Restricted Fund was £1,043,208 and Unrestricted Fund was £391,825.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 220.

The ratio of GAG funding per pupil was £9,783 for the period.
In this year the Local authority top up rate increased to approx. £9,321 per Oxfordshire Child

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 86%.

Both schools fared exceptionally well in the DfE schools resource management-self assessment tool demonstrating strong financial value for money.

GOING CONCERN

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

FINANCIAL REVIEW

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

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

During the period ended 31 August 2021, the total expenditure of £5,339,256 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of total expenditure over incoming resources for the period was £360,574 (before actuarial losses on defined benefit pension schemes). The net book value of fixed assets at 31 August 2021 was £13,381,480, after depreciation charges for the period of £303,575.

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

The balance of total funds held at 31 August 2021 was £9,663,513 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£1,043,208
Restricted Pension Liability Fund	(£5,153,000)
Restricted Fixed Asset Fund	£13,381,480
Unrestricted Funds	£391,825

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

RESERVES POLICY

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

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

The current level of Reserves is £1,435,033, which is more than is required under the agreed policy. Appropriate steps will be taken to decrease the free cash reserves.

Reserves have currently been identified for the expansion of the Kingfisher School, the consideration of an off-site residential living experience for the Trust and the development of playgrounds to further strengthen the curriculum offering at Kingfisher.

INVESTMENT POLICY

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial

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

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Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls and compliance with regulations, legislation, and statutory returns. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks. The Trust remains vigilant in relation to cyber threats and breaches.

Cyber Threats

The Trust remains vigilant in relation to Cyber threats and breaches. The Trust have secure systems in control which prevented two attempts to breach security. The Trust continues to take external professional guidance to ensure that systems meet the proactive response required.

Reputational

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

Safeguarding and child protection

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

Staffing

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

Fraud and mismanagement of funds

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

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

Covid 19

Covid 19 developments should not be underestimated with ongoing monitoring and consideration of any future impact on the health of children, staff and families. Staff wellbeing remains a high focus and the personal care provided to vulnerable children remains a high-risk environment for staff. Covid remains a challenge with daily risk assessments and leadership time for teaching and learning development continues to be impacted.

Brexit

Brexit continues to impact the school food supply chain across the Trust, with alternatives now being sourced. Prices at a national level for food distribution are increasing and suppliers are now suggesting that they will need to renegotiate terms to continue. Various general suppliers have been unable to fulfil their commitments with maintenance projects, and wait lists are more than two to three months if a supplier can be engaged with.

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RISK MANAGEMENT

The Directors continue to use the 'GRC One system' to assess risks that the schools and Trust face, especially in the operational areas (such as teaching, health and safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains adequate insurance cover has been put in place. In 2021 this area was externally scrutinised to give the Directors external verification on the new system and controls and to identify both expansion opportunities and manage the impact of Covid and Brexit.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control. In addition, one Head Teacher sits on the Local Authority funding forum, and the Chief Operations Officer sits at 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 to ensure risk is proactively managed.

The Trust is currently working with the RPA for a building concern in one location, following thermal movement at 20 years after construction.

Financial and Risk Management Objectives and Policies

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

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

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

The Trust is pleased to report an interim funding review was completed by Oxford County Council with commitment for 2021/22 and a second review is planned.

The Directors examine the financial health of the Academy 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 per the Academies Financial Handbook.

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

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

Fundraising

Fundraising has been significantly hampered this year with Covid-19. However, the Trust has been successful in securing Grants in excess of £24k towards resources and mental wellbeing. The Trust remains committed to working with external organisations in 2021/22.

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PLANS FOR FUTURE PERIODS

The Trust continues to seek to implement plans to achieve our vision to extend high quality SEN education to as many children and young people as possible.

- The Trust is very excited to be working in conjunction with Oxfordshire County Council (OCC) for the extension of further provision at Kingfisher School which is currently at public consultation before submission to the Regional Schools Commissioner (RSC)
- The Trust is delighted to be exploring growth opportunities in conjunction with OCC and the RSC for expansion of the Trust
- The Trust is exploring innovative ways to support SEN education, including the exciting and substantial development of an offsite 6th independent living proposition.
- The Trust continues to centralise functions and work processes to support growth and change
- The Trust is now considering the appointment of a CEO in the 2021/22 academic year

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

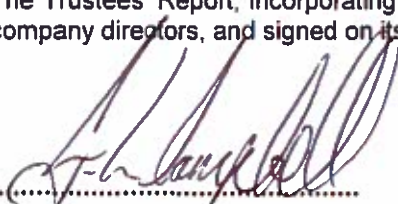
The Academy and its Directors do not act as Custodian Trustees of any other charity.

AUDITOR

In so far as the Directors are aware:

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

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


.....
Gay Campbell
Chair of Trustees

Date:

24/11/21


.....
Stephanie Coneboy
Accounting Officer

Date:

02.12.21

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance reviews

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

Following the positive engagement with the DFE the Trust has continued to leverage the relationship with the Academy Ambassadors to build additional breadth and strength in the Board and governance structure, including support in identifying potential additional Members to support effective succession planning. However, this year the Trust has independently recruited vacancies and continues to focus on skills and needs to move forward.

In 2021/22, the Trust intends to review its Governance structure and operating delegations in preparation for growth.

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

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

During Covid the Board and LGB's have continue to adjust their way of engagement and ensure succession planning and support is suitable.

Governance

The information on governance included here supplements that information that is described in the Directors' Report and in the Directors' Responsibilities Statement. The Directors have formally met 7 times during the period ended 31 August 2021 and Governors a minimum of 6 times also.

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Directors Meeting Attendance September 2020 – August 2021

Name	Meetings attended	Of a possible
Gay Campbell	6	7
Tim Hodgson	5	7
Jane Edwards (appointed 4/01/21)	4	4
Dylan Thomas	6	7
Rebecca Scales	5	7
John Chadwick	7	7
David Kadarrauch (resigned 29/7/21)	6	7
Sarah Mitchell	6	7

Governors Attendance at Fitzwaryn September 2020 – August 2021

Name	Meetings attended	Of a possible
Julie Maberley	6	6
Jeanne Lapsley	4	6
Marion Evans (resigned 31/07/21)	6	6
Stephanie Coneboy	6	6
Elisabeth Green (resigned 31/07/21)	6	6
Rachel Wenham	5	6
Jane Pierce	6	6
Jane Edwards (resigned 31/12/20)	2	2
Barry Reynolds	5	6
Alan Bennett	4	5
Andrew Smith	3	6
Matthew Heyworth (appointed 09/09/20)	3	6

Governors Attendance at Kingfisher September 2020 – August 2021

Name	Meetings attended	Of a possible
Fernando Nodal	5	6
Andrew Clarke	4	6
Lorraine Wilson	6	6
Cynthia Bartlett	4	6
Matthew Hill	5	6
Charlotte Lee (resigned 31/08/21)	2	6
Eleanor Jackson	2	3
Liza Eccles	5	6
Sam Shepherd	6	6
Carol Bousahla (appointed 18/11/20)	4	4
Ashley Stokes (appointed 18/11/20)	2	4

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- The Trust collectively participates in a regional procurement forum to ensure maximum power purchasing is achieved through collaboration and to ensure time spent on this process is minimised. This also provides benchmarking opportunities for service and value for money in other areas.
- The Head Teachers and COO regularly review staffing structure and deployment, to ensure utility is based on the academic, social and emotional needs of the child. This results in in-year operational redeployments to ensure resources are used effectively as this is the biggest expenditure to the academy.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the Propeller Academy Trust for the period ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on going process for identifying, evaluating, and managing the Academy's significant risks that has been in place for the period from incorporation to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Trust Board would like to note that the Leaderships capacity to handle risk over the past 18 months has continued to ensure the consistent and high standard of operation at both schools.

The risk and control framework

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

In particular, it includes:

- Comprehensive budgeting and monitoring systems are in place including a 3-year forecast. Annual budget and periodic financial reports which are reviewed and agreed by the Directors at every meeting and the Chair of the Trust monthly.
- Regular reviews by the Local Governing Bodies 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 Head Teachers 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 through the GRC system.
- A representative from the Local Governing Body and a Head Teacher within the Trust are members of the regional High Needs funding forum to ensure potential changes in funding and impact roll are at the forefront of our thinking.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

The Directors have instead appointed Cooper Parry auditors for these undertakings.

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

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

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2021 the review has been informed by:

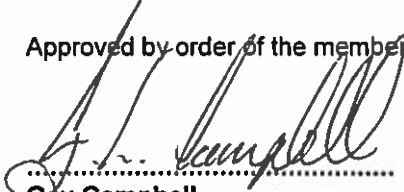
- the work undertaken by Cooper Parry in lieu of an internal audit function
- the work of the external auditor James Cowper Kreston;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- The work of the data protection office
- The work of the Health and Safety auditor

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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



.....
Gay Campbell
Chair of Trustees

Date: 24/11/21



.....
Stephanie Coneboy
Accounting Officer

Date: 02.12.21


THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

.....
Stephanie Coneboy
Accounting Officer 02-12-21
Date:

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

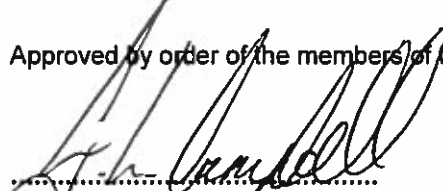
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

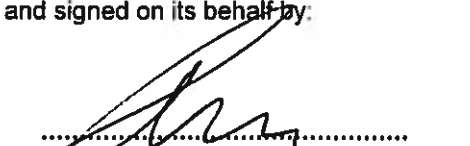
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

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


.....
Gay Campbell
Chair of Trustees
Date: 24/11/21


.....
Tim Hodgson
Trustee
Date: 30/11/2021 TH

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of The Propeller Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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 academy trust'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.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Use of our report

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



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire

RG19 6AB

Date: 13/12/2021

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 20 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Propeller Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Propeller Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2013 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston

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

Date: 13/12/2021

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and capital grants	3	12,703	-	43,232	55,935
Other trading activities		15,636	-	-	15,636
Investments	6	147	-	-	147
Charitable activities:					
Funding for the academy trust's educational operations		-	4,883,058	-	4,883,058
Other income for educational operations		23,906	-	-	23,906
Total income		<u>52,392</u>	<u>4,883,058</u>	<u>43,232</u>	<u>4,978,682</u>
Expenditure on:					
Raising funds		-	-	-	2,500
Charitable activities:					
Academy trust educational operations		-	5,035,681	303,575	5,339,256
Total expenditure		<u>-</u>	<u>5,035,681</u>	<u>303,575</u>	<u>5,339,256</u>
Net income/(expenditure)		<u>52,392</u>	<u>(152,623)</u>	<u>(260,343)</u>	<u>(360,574)</u>
Transfers between funds	17	(230)	-	230	-
Net movement in funds before other recognised gains/(losses)		<u>52,162</u>	<u>(152,623)</u>	<u>(260,113)</u>	<u>(360,574)</u>
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(985,000)	-	(985,000)
Net movement in funds		<u>52,162</u>	<u>(1,137,623)</u>	<u>(260,113)</u>	<u>(1,345,574)</u>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	339,663	(2,972,169)	13,641,593	11,009,087	11,455,443
Net movement in funds	52,162	(1,137,623)	(260,113)	(1,345,574)	(446,356)
Total funds carried forward	<u>391,825</u>	<u>(4,109,792)</u>	<u>13,381,480</u>	<u>9,663,513</u>	<u>11,009,087</u>

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

The notes on pages 33 to 57 form part of these financial statements.

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

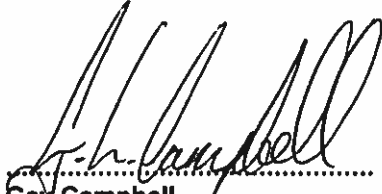
BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	13,381,480	13,636,044
		13,381,480	13,636,044
Current assets			
Debtors	15	65,325	45,607
Cash at bank and in hand		1,634,523	1,219,326
		1,699,848	1,264,933
Creditors: amounts falling due within one year	16	(264,815)	(249,890)
Net current assets		1,435,033	1,015,043
Total assets less current liabilities		14,816,513	14,651,087
Net assets excluding pension liability		14,816,513	14,651,087
Defined benefit pension scheme liability	23	(5,153,000)	(3,642,000)
Total net assets		9,663,513	11,009,087
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	13,381,480	13,641,593
Restricted income funds	17	1,043,208	669,831
Restricted funds excluding pension asset	17	14,424,688	14,311,424
Pension reserve	17	(5,153,000)	(3,642,000)
Total restricted funds	17	9,271,688	10,669,424
Unrestricted income funds	17	391,825	339,663
Total funds		9,663,513	11,009,087

The financial statements on pages 28 to 57 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021



Gay Campbell
Chair of Trustees

Date: 24/11/21



Timothy Hodgson
Trustee

Date: 30/11/2021

The notes on pages 33 to 57 form part of these financial statements.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	432,929	103,669
Cash flows from investing activities	20	(17,732)	(7,783)
Change in cash and cash equivalents in the year		415,197	95,886
Cash and cash equivalents at the beginning of the year		1,219,326	1,123,440
Cash and cash equivalents at the end of the year	21, 22	<u>1,634,523</u>	<u>1,219,326</u>

The notes on pages 33 to 57 form part of these financial statements

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

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

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

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

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Liabilities

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

1.9 Provisions

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

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

1.10 Operating leases

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Financial instruments

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

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

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

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

1.12 Taxation

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

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

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dfe/ESFA capital Grants				
Devolved formula capital grant	-	18,632	18,632	14,467
	<hr/>	<hr/>	<hr/>	<hr/>
	-	18,632	18,632	14,467
	<hr/>	<hr/>	<hr/>	<hr/>

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants (continued)

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other Donations	12,703	12,100	24,803	8,216
Capital Grants	-	12,500	12,500	-
Total 2021	12,703	43,232	55,935	22,683
<i>Total 2020</i>	<i>8,216</i>	<i>14,467</i>	<i>22,683</i>	

4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,140,000	2,140,000	1,961,330
Other DfE/ESFA grants				
Pupil premium	-	77,559	77,559	99,136
Other DfE Group grants	-	108,377	108,377	48,198
Other Government grants				
Local authority revenue funding	-	2,557,122	2,557,122	2,236,550
Other income				
Catering income	18,214	-	18,214	14,547
Other income	5,692	-	5,692	2,789
Total 2021	23,906	4,883,058	4,906,964	4,362,550
<i>Total 2020</i>	<i>17,336</i>	<i>4,345,214</i>	<i>4,362,550</i>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities/other lettings	12,437	12,437	25,004
School clubs and other income	121	121	2,381
Staff consultancy income	3,078	3,078	1,148
Total 2021	15,636	15,636	28,533
<i>Total 2020</i>	<i>28,533</i>	<i>28,533</i>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	147	147	574
<i>Total 2020</i>	<i>574</i>	<i>574</i>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total</i> <i>2020</i> £
Expenditure on fundraising funds:					
Direct costs (raising funds)	-	-	-	-	2,500
Academy's educational operations:					
Direct costs	3,399,050	-	184,358	3,583,408	3,401,442
Allocated support costs	835,972	330,568	589,308	1,755,848	1,635,754
	<u>4,235,022</u>	<u>330,568</u>	<u>773,666</u>	<u>5,339,256</u>	<u>5,039,696</u>
<i>Total 2020</i>	<u>3,923,494</u>	<u>326,408</u>	<u>789,794</u>	<u>5,039,696</u>	

The expenditure on raising funds was £nil (2020: £2,500) of which £nil was unrestricted (2020: £2,500).

The expenditure on academy's educational operations was £4,813,256 (2020: £5,003,085) of which £Nil was unrestricted (2020: £Nil), £4,509,681 restricted (2020: £4,709,518) and £303,575 restricted fixed assets (2020: £327,678).

8. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds</i> <i>2020</i> £
Academy's educational operations	<u>3,583,408</u>	<u>1,755,848</u>	<u>5,339,256</u>	<u>5,037,196</u>
<i>Total 2020</i>	<u>3,401,442</u>	<u>1,635,754</u>	<u>5,037,196</u>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,399,050	3,399,050	3,225,049
Educational supplies	68,648	68,648	64,412
Examination fees	2,931	2,931	2,513
Professional services - educational	39,767	39,767	25,667
IT equipment & consumables	56,520	56,520	71,171
Administration fees	118	118	157
Transportation costs	16,374	16,374	12,473
Total 2021	<u><u>3,583,408</u></u>	<u><u>3,583,408</u></u>	<u><u>3,401,442</u></u>
<i>Total 2020</i>	<u><u>3,401,442</u></u>	<u><u>3,401,442</u></u>	

Analysis of support costs

	Academy's educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	65,000	65,000	68,000
Staff costs	835,972	835,972	695,945
Depreciation and amortisation	303,575	303,575	327,678
Technology costs	57,985	57,985	53,465
Premises costs	330,568	330,568	338,079
Other support costs	148,726	148,726	138,772
Governance costs	14,022	14,022	13,815
Total 2021	<u><u>1,755,848</u></u>	<u><u>1,755,848</u></u>	<u><u>1,635,754</u></u>
<i>Total 2020</i>	<u><u>1,635,754</u></u>	<u><u>1,635,754</u></u>	

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	2,938	2,104
Depreciation of tangible fixed assets	303,575	327,678
Fees paid to auditors for:		
- audit	10,500	10,191
- other services	2,170	2,731
	2,986	342,704

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,930,288	2,802,423
Social security costs	231,969	213,676
Pension costs	1,068,860	905,754
	4,231,117	3,921,853
Agency supply staff costs	3,905	1,641
	4,235,022	3,923,494

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

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	23	24
Administration and support	63	66
Management	7	7
	93	97

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £528,563 (2020 £688,746).

11. Central services

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

12. Trustees' remuneration and expenses

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

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

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Leasehold Building £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	15,100,016	364,047	122,660	39,270	15,625,993
Additions	12,500	36,511	-	-	49,011
At 31 August 2021	<u>15,112,516</u>	<u>400,558</u>	<u>122,660</u>	<u>39,270</u>	<u>15,675,004</u>
Depreciation					
At 1 September 2020	1,552,299	306,711	115,231	15,708	1,989,949
Charge for the year	256,201	34,526	4,994	7,854	303,575
At 31 August 2021	<u>1,808,500</u>	<u>341,237</u>	<u>120,225</u>	<u>23,562</u>	<u>2,293,524</u>
Net book value					
At 31 August 2021	<u>13,304,016</u>	<u>59,321</u>	<u>2,435</u>	<u>15,708</u>	<u>13,381,480</u>
At 31 August 2020	<u>13,547,717</u>	<u>57,336</u>	<u>7,429</u>	<u>23,562</u>	<u>13,636,044</u>

15. Debtors

	2021 £	2020 £
Trade debtors	32,202	8,847
VAT recoverable	17,156	22,101
Prepayments and accrued income	15,967	14,659
	<u>65,325</u>	<u>45,607</u>

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	50,173	67,332
Other taxation and social security	51,534	49,205
Other creditors	75,072	73,895
Accruals and deferred income	88,036	59,458
	264,815	249,890
	264,815	249,890
	2021	2020
	£	£
Deferred income		
Deferred income at 1 September 2020	20,661	38,635
Resources deferred during the year	60,251	20,661
Amounts released from previous periods	(20,661)	(38,635)
	60,251	20,661
Deferred income at 31 August 2021	60,251	20,661

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

THE PROPELLER ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	339,663	52,392	-	(230)	-	391,825
Restricted general funds						
General Annual Grant (GAG)	669,831	2,140,000	(1,766,623)	-	-	1,043,208
Pupil Premium	-	77,559	(77,559)	-	-	-
Local authority revenue funding	-	2,557,122	(2,557,122)	-	-	-
Other Dfe Group Grants	-	108,377	(108,377)	-	-	-
Pension reserve	(3,642,000)	-	(526,000)	-	(985,000)	(5,153,000)
	<u>(2,972,169)</u>	<u>4,883,058</u>	<u>(5,035,681)</u>	<u>-</u>	<u>(985,000)</u>	<u>(4,109,792)</u>
Restricted fixed asset funds						
ESFA DFC and LA capital funding	-	31,132	-	-	-	31,132
Fixed asset fund	13,641,593	-	(303,575)	230	-	13,338,248
Capital donations	-	12,100	-	-	-	12,100
	<u>13,641,593</u>	<u>43,232</u>	<u>(303,575)</u>	<u>230</u>	<u>-</u>	<u>13,381,480</u>
Total Restricted funds	<u>10,669,424</u>	<u>4,926,290</u>	<u>(5,339,256)</u>	<u>230</u>	<u>(985,000)</u>	<u>9,271,688</u>
Total funds	<u>11,009,087</u>	<u>4,978,682</u>	<u>(5,339,256)</u>	<u>-</u>	<u>(985,000)</u>	<u>9,663,513</u>

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

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17. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2021.

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Fitzwaryn School	774,021	539,339
Kingfisher School	661,012	470,155
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,435,033	1,009,494
Restricted fixed asset fund	13,381,480	13,641,593
Pension reserve	(5,153,000)	(3,642,000)
	<hr/>	<hr/>
Total	9,663,513	11,009,087
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Fitzwaryn School	1,712,060	77,897	187,835	281,055	2,258,847	2,097,026
Kingfisher School	1,686,990	106,461	187,137	270,246	2,250,834	2,199,992
Other finance costs and pension costs	461,000	-	-	65,000	526,000	415,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	3,860,050	184,358	374,972	616,301	5,035,681	4,712,018
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	13,381,480	13,381,480
Current assets	391,825	1,308,023	-	1,699,848
Creditors due within one year	-	(264,815)	-	(264,815)
Provisions for liabilities and charges	-	(5,153,000)	-	(5,153,000)
Total	391,825	(4,109,792)	13,381,480	9,663,513

Analysis of net assets between funds - prior year

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

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FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(360,574)	(625,356)
Adjustments for:		
Depreciation	303,575	327,678
Capital grants from DfE and other capital income	(31,132)	(14,467)
Interest receivable	(147)	(574)
Defined benefit pension scheme cost less contributions payable	461,000	347,000
Defined benefit pension scheme finance cost	65,000	68,000
(Increase)/decrease in debtors	(5,087)	1,072
Increase in creditors	294	316
Net cash provided by operating activities	432,929	103,669

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	147	574
Purchase of tangible fixed assets	(49,011)	(22,824)
Capital grants from DfE Group	31,132	14,467
Net cash used in investing activities	(17,732)	(7,783)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,634,523	1,219,326
Total cash and cash equivalents	1,634,523	1,219,326

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

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,219,326	415,197	1,634,523
	<u>1,219,326</u>	<u>415,197</u>	<u>1,634,523</u>

23. Pension commitments

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

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

Contributions amounting to £67,119 were payable to the schemes at 31 August 2021 (2020 - £66,135) and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £309,907 (2020 - £297,125).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £386,000 (2020 - £343,000), of which employer's contributions totalled £298,000 (2020 - £263,000) and employees' contributions totalled £ 88,000 (2020 - £80,000). The agreed contribution rates for future years are 15.1 per cent for employers and 5.5 and 12.5 per cent for employees.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	2.9	2.20
Rate of increase for pensions in payment/inflation	2.9	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	22.4	22.2
Females	24.7	24.3
<i>Retiring in 20 years</i>		
Males	23.4	22.9
Females	26.3	25.6

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,583,000	2,625,000
Other bonds	823,000	750,000
Property	339,000	225,000
Cash and other liquid assets	97,000	150,000
Total market value of assets	4,842,000	3,750,000

The actual return on scheme assets was £754,000 (2020 - £143,000).

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

	2021	2020
	£	£
Current service cost	759,000	610,000
Interest income	(67,000)	(69,000)
Interest cost	132,000	137,000
Total amount recognised in the Statement of Financial Activities	824,000	678,000

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

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

	2021 £	2020 £
At 1 September	7,392,000	6,857,000
Cash value of employer contributions	298,000	263,000
Current service cost	461,000	347,000
Interest cost	132,000	137,000
Employee contributions	88,000	80,000
Actuarial losses/(gains)	1,672,000	(253,000)
Benefits paid	(48,000)	(39,000)
At 31 August	9,995,000	7,392,000

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

	2021 £	2020 £
At 1 September	3,750,000	3,451,000
Interest income	67,000	69,000
Actuarial gains/(losses)	687,000	(74,000)
Employer contributions	298,000	263,000
Employee contributions	88,000	80,000
Benefits paid	(48,000)	(39,000)
At 31 August	4,842,000	3,750,000

24. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts due within one year	2,938	2,104
Amounts due between one and five years	3,103	3,864
	6,041	5,968

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Members' liability

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

26. Related party transactions

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

27. Agency arrangements

The academy trust distributes 16-19 bursaries to students as an agent for the ESFA. In the accounting period ending 31 August 2021, the Trust received £5,692 (2020: £2,789) and disbursed £5,692 (2020: £2,789) from the fund. There were no funds relating to undistributed amounts repayable to the ESFA that were carried forward (2020: £nil).

