

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 2022

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THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul McConaghy (resigned 7 February 2022) Davina McKay Philip Hutchinson Ellen Moran (resigned 10 December 2021) Peter Yearling (appointed 7 February 2022)
Trustees	Gay Campbell, Chair (resigned 10 March 2022) Jane Edwards (Chair from 28th March 2022) John Chadwick (Vice Chair from 28th March 2022) Timothy Hodgson Sarah Mitchell Rebecca Scales (resigned 8 December 2021) Dylan Thomas (resigned 9 December 2021) Deborah Buckley-Golder (appointed 1 September 2021) Melanie Rogers (appointed 1 February 2022) Tom Pegler (appointed 1 April 2022)
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 (term ended 31st March 2022) Tom Pegler (appointed 1st April 2022)
Senior management team	Trust Tom Pegler, Chief Executive (Appointed 1st April 2022) Tracey Stratton, COO, CFO and Company secretary Fitzwaryn School Stephanie Coneboy, Headteacher and (to 31 March 2022) Accounting Officer Chris Slatter and Tracy Gardiner, Deputy Headteacher Kingfisher School Lorraine Wilson, Headteacher Kate Downes, Deputy Headteacher Lorraine Green, Assistant Headteacher
Independent auditors	James Cowper Kreston Chartered Accountants and Statutory Auditors 9th Floor The White Building 1-4 Cumberland Place Southampton Hampshire SO15 2NP

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Lloyds Bank plc 8 Ock Street Abingdon OX14 5AP
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

THE PROPELLER ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust, which was incorporated on 21st December 2013 and opened 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 Trust.

The Directors act as the Trustees for the charitable activities of the Trust 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 two special schools in the South Oxfordshire Area. Its schools have a combined pupil capacity of 213 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.

Directors and Governors Indemnities

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

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TRUSTEES' REPORT (CONTINUED)
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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 are Parent Directors who are elected by the parents of registered pupils at the Trust's schools if there are no parents at the local committee level
- of which up to 1 is a 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 four year period, except that this time limit does not apply to the Chief Executive Officer. (Subject to remaining eligible to be a particular type of 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 in order to ensure the Trust has the necessary skills to contribute fully to the Trust's development.

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

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. Advantage is taken of specific courses offered by various other organisations as appropriate, such as The Key, NGA, and Oxfordshire Governor services.

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 also members of Governor Hub to access company information in a secure manner.

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

In 2021/22 we have continued our membership of the 'Better Governance' scheme to enhance standards. A skills assessment was completed during the year and internal training and awareness sessions identified to address weaker areas of knowledge.

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

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

Organisational Structure

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

There are four Committees of the Trust as follows:

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

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

The following decisions are reserved to the full Trust Board:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure
- To appoint or remove the Chair and / or Vice Chair
- To appoint and / or consider the performance of Headteachers in conjunction with the Governors and Chief Executive Officer
- To appoint and/or consider the performance of the Chief Executive Officer, Company Secretary, Chief Operations Officer and Chief Financial 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 budget
- Approving the annual statutory accounts
- Ensuring the monitoring of progress against objectives through data and external verification and Local Governing Body activity
- Decisions about the direction of individual schools within the Trust in conjunction with the Local Governing Body
- Any major capital expenditure and the use of reserves
- Health and Safety policy
- Safeguarding policy.

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

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

It should be noted that in response to Covid 19 the Trust moved to virtual meeting platforms such as Zoom and Teams to ensure business continued to operate, and have continued to make extensive use of these facilities to enhance the efficiency of meetings.

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade union facility time

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

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

Related Parties and other connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust. 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 criteria are not consistently met over 2 years (qualifications being: - Income over £36m, Gross assets over £18m and more than 250 employees).

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TRUSTEES' REPORT (CONTINUED)
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OBJECTIVES AND ACTIVITIES

Objects and Aims

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

- Advance for the public benefit education in the United Kingdom, in particular but without prejudice to, the generality of the foregoing by establishing, maintaining, carrying on, managing, and developing schools, offering of a broad and balanced curriculum; and
- Promote for the benefit of the inhabitants of Wantage, 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 main activities of the Trust during the period ended 31 August 2022 were:

- Putting children at the heart of every decision, including those relating to safety
- The Trust appointed its first CEO to support and develop the growth of the Trust across the local, regional, and national landscape
- The Trust is delighted that Fitzwaryn School, after undergoing a full section 5 inspection, has retained its Outstanding status for almost 20 years. Fitzwaryn was deemed Outstanding in every aspect
- The Trust was delighted to be formally awarded the sponsorship of Bishopswood School. This is an exciting project for the Trust as the school is due for a secondary site redevelopment with a project value of £4 million. The Trust has a successful track record of developing premises to support excellent teaching and are delighted by the staff and leaders joining in January 2023. This location is key to the geographical development of the Trust
- The Trust has supported the new school with strategic and operational development since February 2022 at multiple levels
- The Trust has worked collaboratively to achieve grants through the DfE to further develop our growth in 2022/2023
- The Trust undertook a £1 million expansion project, in conjunction with OCC, at its Kingfisher school site to enable the school to support more children locally. This project is scheduled to complete in October 2022
- Headteachers and Leaders provided a diverse and exciting curriculum across the Trust. This year saw the introduction of secondary school students returning to the community with life skills training post Covid
- All locations are financially viable and well resourced, including sponsorship and donations. This year children have benefitted from a new outdoor multi-gym and significant investment in phonics schemes
- The Trust formalised the centralisation of the finance team to its registered office in Wantage to ensure financial efficiency and improve audit and fraud prevention controls
- The Trust wide working party has implemented a new staff wellbeing policy to support its work force post pandemic
- The Trust undertook a full and detailed review of its Scheme of Delegation, to ensure all layers of governance had a full and up-to-date understanding of their respective roles within the Trust
- The Trust undertook a rigorous external inspection through the DfE and NGA of its Governance framework and approach
- The Trust has commissioned new school improvement partners to ensure diversity in thinking and accountability
- The Trust has created cross location teams to enable growth and change at a local level and ensure stakeholders are engaged in its growth
- The Trust has implemented streamlined processes to enable multi-site working and efficiency in the areas of payroll, finance, and recruitment

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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 2022 were as follows:

Leadership and Management

- The schools have strengthened middle leadership, providing high quality training and coaching, in line with their succession planning and devolved leadership
- Curriculum development remained a focal point for Trust schools, engaging external support for the emerging trends of increased autism
- The schools have also resumed community education activities post Covid to ensure diversity in our offering
- The schools have refreshed thinking with the engagement of a new school improvement partner to ensure our internal challenge is of the highest level
- Schools have successfully delivered popular and highly effective summer clubs for students
- Careers education has been evaluated across the Trust leading to a Trust wide working party tasked with delivering the strategic aims
- EHCP (Education, Health and Care Plan) process streamlined for maximum effectiveness
- Joint working across the Trust in key areas such as English/Maths, Safeguarding, attendance, behaviour and out of hours provision is in place
- Both Schools continued to focus on excellent facilities and experiences for children with new play equipment, classroom refurbishments and IT upgrades
- The schools continue to meet all compliance requirements including successful safeguarding audits
- The academic offering provided excellent accreditation outcomes and personal achievements. See extract from the latest Fitzwaryn Ofsted report:

Fitzwaryn School was inspected by OFSTED on 18/19th May 2022 and awarded an Outstanding grade in all categories. Inspectors noted; Fitzwaryn School is a joyful place to learn. From when they join as young children, right through to when they leave as young adults, staff make sure that pupils are known, understood, nurtured, and kept very safe. Pupils and parents told us how much they love the school. Leaders are highly ambitious for pupils. Their attention to detail ensures that the school's vision of 'through learning to learn, pupils will access society' is achieved. Pupils learn to understand themselves and develop their independence. They proudly participate in several sporting events with other schools. Pupils were keen to tell us about the Shakespeare play they were producing. They had made the backdrops and were now learning their lines. Students in the sixth form talked enthusiastically about the trips they help to plan, such as to Parliament and the theatre. Staff are expert at meeting pupils' different needs. They manage pupils' behaviour especially well. Staff know just what to do to help pupils understand their emotions. They teach pupils how to communicate positively about how they are feeling. Consequently, pupils' behaviour is superb, and they learn very well. Pupils rarely fall out but if they do, adults sort things out quickly

Teaching and Learning
Improvement and Focus Strategies

- Continued strengthening of middle leadership across our schools
- Improved quality assurance processes (internal and external) of pupil progress and quality first teaching
- Continuous development of teachers' knowledge, pedagogy and practice that underpin the curriculum
- Curriculum refinement, embedding monitoring impact and progression
- Focus on the quality first delivery in English and Maths
- Ensure assessment processes and procedures are fit for purpose
- Identification and implementation of Systematic Synthetic Phonics programme, taking account of the wide range of needs across the Trust's students

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- The Trust has started work with an autism specialist to ensure teaching and learning remains current and based on research.

Behaviour and Safety/Personal Development

- Learner engagement a key strength within the Trust schools
- Development of a Nurture room at one school was highly successful and is being considered Trust wide
- Staff structures in place to support pupil engagement
- Continued consistent application of behaviour frameworks across our schools
- 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
- 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, with one school working with the County to undertake this provision over the next 2 years
- New RSE curriculum in place in schools
- Discrete independence lessons in place across Trust schools
- Schools continue to strengthen learning opportunities outside the classroom
- Improved holistic support of mental health and well-being
- Introduction of Zones of Regulation to support pupils in understanding their own emotions in order to self-regulate their own behaviour.

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 a moving on strategy to support students move into the community 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
- Appropriate accreditations in place.

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

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

The Trust 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 Trust have continued to work on the priorities set out in September 2021, approved by their respective Governing Bodies. As a result:

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- All schools graded as Good or better by OFSTED
- External verification of all schools was reported to the Board by a School Improvement Partner
- Outcomes for the pupils (both academically and personal skills) remain a particular strength of the Trust
- All students moved on to appropriate destinations in either education, training, or the community
- Schools have supported the development of Bishopswood as a third school in the Trust
- All schools have been fully staffed with no long-standing vacancies
- The Trust has extremely positive relations with its commissioners and continues to collaborate with local authorities to meet local SEND sufficiency strategies
- Governance across the Trust remains a strength
- The quality of safeguarding in all schools has been reviewed externally
- Attendance across all Trust schools remains above the national SEND average
- Schools operate within sound financial planning
- External Verification was reported to the Board by the External Responsible Officer

ACHIEVEMENTS AND PERFORMANCE

Student Achievement

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

Accreditations - Fitzwaryn School

Year 11

- | | |
|---|----------|
| • ASDAN Personal Development Bronze Award | 4 pupils |
| • ASDAN Personal Development Silver Award | 3 pupils |
| • ASDAN Personal Development Gold Award | 5 pupils |
| • Functional Skills Level 1 Mathematics | 6 pupils |
| • Functional Skills Level 2 Mathematics | 2 pupils |
| • Functional Skills Entry Level 1 English | 5 pupils |

Year 13

- | | |
|---------------------------------------|---------|
| • NOCN Independent Living Entry Level | 2 pupil |
|---------------------------------------|---------|

Year 14

- | | |
|--|---------|
| • NOCN Independent Living Entry Level 2 | 1 pupil |
| • NOCN English qualification Entry Level 1 | 1 pupil |

Destinations 2021-2022

Year 11

- | | |
|---|----------|
| • Abingdon and Witney College (Abingdon Campus) | 3 pupils |
| • Fitzwaryn post 16 | 9 pupils |

Year 12

- | | |
|---|---------|
| • Abingdon and Witney College (Abingdon Campus) | 1 pupil |
|---|---------|

Year 13

- | | |
|---|---------|
| • Abingdon and Witney College (Abingdon Campus) | 1 pupil |
| • Abingdon and Witney College (Witney Campus) | 1 pupil |

Year 14

- | | |
|---|---------|
| • Abingdon and Witney College (Abingdon Campus) | 1 pupil |
|---|---------|

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Accreditations – Kingfisher School

Year 11

- ASDAN Award of Personal Effectiveness 1 pupil
- ASDAN Personal Social Development Award Level 3 2 pupils
- ASDAN Personal Social Development Award Level 3 1 pupil

Year 12

- ASDAN Personal Progress Award 3 pupils

Year 13

- ASDAN Personal Progress Award 1 pupil
- ASDAN Personal Progress Certificate 3 pupils

Year 14

- 0 pupils on roll

Destinations July 2022

Year 11

- Kingfisher Post 16 5 pupils
- Abingdon and Witney College (Abingdon Campus) 1 pupil
- City of Oxford College 1 pupil

FINANCIAL KEY PERFORMANCE INDICATORS

Although the Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG (General Annual Grant) 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 2022, the balance of the GAG Restricted Fund was £878,421 and Unrestricted Fund was £566,988

As the majority of the Trust'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 £9,727 for the period.

In this year, the Local Authority top up rate increased to approx. £11,593 per Oxfordshire Child

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to revenue grant funding for the period was 98%.

It should be noted that 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 and all its Committees, have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

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FINANCIAL REVIEW

The majority of the Trust'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 2022 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

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

During the period ended 31 August 2022, the total expenditure of £6,070,683 exceeded the recurrent grant funding from the DfE, together with other incoming resources. The excess of total expenditure over incoming resources for the period was £159,901 (before actuarial gains on defined benefit pension schemes).

The net book value of fixed assets at 31 August 2022 was £13,955,203, after depreciation charges for the period of £325,215.

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

The balance of total funds held at 31 August 2022 was £14,319,612 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£ 878,421
Restricted Pension Liability Fund	£ (1,081,000)
Restricted Fixed Asset Fund	£ 13,955,203
Unrestricted Funds	£ 566,988

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

RESERVES POLICY

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

The Directors have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. At the 31 August 2022 this requires free cash reserves of £296k. 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 £1.4 million. Appropriate steps continue to be taken to decrease the 'free cash reserves', and this will be accelerated in January 2023 post the completion of the Kingfisher Extension and Bishopswood inline with our Trust development plan.

Of this reserve the Trust has taken the decision to increase its allocating of £400k of operating costs for payroll etc, to £650k. This represents the real threat to the Trust with the rise in Utilities and payroll requirements of Bishopswood while funding is established.

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The Trust has exciting plans for further growth in the services it offers to children and young people in the communities we serve and has designated the balance of its free cash reserves to these purposes. In particular, the Trust remains committed to the development of an offsite residential offering and has allocated £650k for this purpose.

In addition, £100k has been allocated to the development of community provision for post 16 holders in conjunction with supporting the wider SEN Strategy of Oxfordshire.

INVESTMENT POLICY

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

PRINCIPAL RISKS AND UNCERTAINTY

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

Financial

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

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Trust'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 has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained, reviewed, and updated on a regular basis.

Reputational

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

Safeguarding and child protection

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

Staffing

The success of the Trust 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 Trust 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 Academy Trust 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 Trust remain vigilant to cyber threats and breaches.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Emerging Risks

At the end of August 2022, the economic environment has forced the Trust to note that the challenge in the utilities market has led to commercial pressure with suppliers and services. The subsequent national picture of pay negotiations and no uplift in the funding formulae would suggest that schools will now be compromising educational offerings or safety to ensure the crisis facing schools is minimised. The Trust will continue to lobby Ministers and central teams for consideration of funding support. The pay awards in 22 will place the Trust with a £200k challenge and similar amounts in utilities. This uplift remains unsustainable without additional funding.

RISK MANAGEMENT

The Directors use a system to assess risks that the schools and Trust face, especially in the operational areas (such as teaching, health & safety, and school trips) and in relation to the control of finances. In 2022 the Trust implemented a new platform to ensure risks are reviewed frequently and prioritised. Both platforms are currently being run in parallel. The Trust has maintained 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 2021/22 external assurance looked at Health and Safety procedures in both schools. The schools received exceptional reports regarding the systems and controls.

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

It should be noted that the Trust faces significant financial demands with the global situation relating to utilities and remains concerned that the impact of this could be in excess of £200k. The Trust are working with the DfE to mitigate risk.

Financial and Risk Management Objectives and Policies

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

The 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.

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

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

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

General fundraising generated £16k. The Trust used its fundraising resources to successfully generate consultancy in excess of £100k for supporting schools with inadequate ratings.

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 will focus on a smooth transition for the students and staff at Bishopswood school, which is planned to join the Trust formally in January 2023
- The Trust will work collaboratively to ensure more schools want to join the Trust and work to achieve the "ten schools by 2030" goal set by the Government's latest policy guidance
- The Trust will see the new roles of Commercial Manager and HR Manager develop opportunities for students, supporting our staff through future change and growth. Our focus on sustainable income generation will create a footprint for schools being more financially viable
- The Trust is excited by its 'moving on' team who will channel cross School working to ensure our offering constantly evolves to meet need, ensuring our schools collaborate on the growth and opportunities that being a Trust brings
- In 2023 the Trust will complete the new expansion in Kingfisher, welcoming more students to the local setting
- The Trust will continue to hold itself open to external challenge, including the SRMA (Schools Resource Management Assessment inspection)
- The Trust will develop its IT infrastructure with one central platform
- The Trust remains committed to our local County and working collaboratively with Oxfordshire to achieve the wider SEN objectives.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

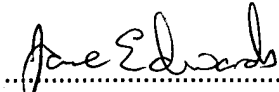
The Trust and its Directors do not act as Custodian Trustees of any other charity.

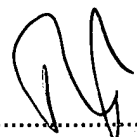
AUDITOR

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:


.....
Jane Edwards
Chair of Trustees
Date: 7/12/2022


.....
Tom Pegler
Accounting Officer
Date: 7/12/2022

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 schools have an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the CEO (and the Headteacher of Fitzwaryn to 31.03.2022), 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

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 2022 and Governors a minimum of 6 times also.

The Finance and Audit Committee provides guidance and assistance to the stakeholders on all matters related to finance, resources, premises and Health and Safety of the Trust. This includes 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 Trust and of public funds. The Chair of the Trust and the Chairs of LGB's receive monthly accounts in line with the Academy Trust Handbook.

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

Directors Meeting Attendance September 2021 – August 2022

Name	Meetings attended	Of a possible
Gay Campbell (resigned March 22)	2	3
Tim Hodgson	5	6
Jane Edwards	5	6
Melanie Rogers	4	4
Rebecca Scales	1	2
John Chadwick	5	6
Debbie Buckley-Golder	6	6
Sarah Mitchell	5	6
Tom Pegler, CEO	3	3

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

(continued)

Governors Attendance at Fitzwaryn September 2021 - August 2022

Name	Meetings attended	Of a possible
Julie Mabblerley	6	6
Jeanne Lapsley	4	6
Stephanie Coneboy	5	6
Rachel Wenham (resigned Dec 21)	1	2
Jane Pierce	5	6
Barry Reynolds	6	6
Alan Bennett	4	6
Andrew Smith left	1	1
Matthew Heyworth (resigned March 22)	1	4
Alan Mcpherson	3	3
David Shaw	2	3
Wayne Tica (appointed 1/9/21)	6	6

Governors Attendance at Kingfisher September 2021 – August 2022

Name	Meetings attended	Of a possible
Fernando Nodal	4	6
Andrew Clarke	4	6
Lorraine Wilson	5	6
Cynthia Bartlett	6	6
Matthew Hill	3	6
Sarah Adair	1	1
Eleanor Jackson (resigned Sept 21)	2	3
Liza Eccles	3	6
Sam Shepherd	6	6
Carol Bousahla	4	4
Rachel Long	5	6
Ashley Stokes (resigned March 22)	3	3

Governance reviews

The Board and LGB's have continued to adjust their means of engagement and ensured succession planning and support is effective.

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. This year the Trust has independently recruited and continues to focus on skills and needs to move forward.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Trust'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 2022 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 Trust 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 2022 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 Leadership's 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.

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 Headteachers and the Chairs of Local Governing Bodies each month, to ensure any corrective action needed is identified on a timely basis
- Clearly defined purchasing (asset purchase or capital investment) guidelines

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Delegation of authority and segregation of duties
- Identification and management of risks
- A representative from a Local Governing Body and a Headteacher 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 decided to appoint Angela Woods to focus on the external verification of health and safety systems and processes across schools within the Trust.

The Trust can confirm Angela Woods completed her schedule as planned. All minor observations were reviewed and actioned accordingly.

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

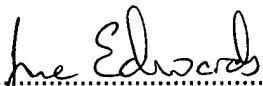
Review of effectiveness

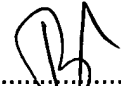
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2022 the review has been informed by:

- the work of the external health and safety inspector Angela Woods
- 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 Trust who have responsibility for the development and maintenance of the internal control framework
- The work of the data protection office

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

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


.....
Jane Edwards
Chair of Trustees
Date: 7/12/2022


.....
Tom Pegler
Accounting Officer
Date: 7/12/2022

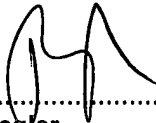
THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

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 Academy Trust Handbook 2021.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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.



.....
Tom Pegler
Accounting Officer

Date: 7/12/2022

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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:

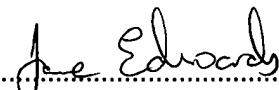
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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.

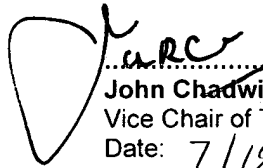
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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:


.....
Jane Edwards
Chair of Trustees
Date: 7/12/2022


.....
John Chadwick
Vice Chair of Trustees
Date: 7/12/2022

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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 issued by the Education and 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 Statement of Trustees' Responsibilities, 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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 Bath BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditors

9th Floor

The White Building

1-4 Cumberland Place

Southampton

Hampshire

SO15 2NP

Date:

14 December 2022

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 2 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2021 to 31 August 2022 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
Chartered Accountants and Statutory Auditors

9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 14 December 2022

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	5,292	-	865,134	870,426	55,935
Other trading activities		151,146	-	-	151,146	15,636
Investments	6	152	-	-	152	147
Charitable activities:						
Funding for the academy trust's educational operations		18,573	4,870,485	-	4,889,058	4,901,152
Other income for educational operations		-	-	-	-	5,812
Total income		175,163	4,870,485	865,134	5,910,782	4,978,682
Expenditure on:						
Charitable activities:						
Academy trust educational operations		-	5,745,468	325,215	6,070,683	5,339,256
Total expenditure		-	5,745,468	325,215	6,070,683	5,339,256
Net income/(expenditure)		175,163	(874,983)	539,919	(159,901)	(360,574)
Transfers between funds	17	-	(33,804)	33,804	-	-
Net movement in funds before other recognised gains/(losses)		175,163	(908,787)	573,723	(159,901)	(360,574)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	4,816,000	-	4,816,000	(985,000)
Net movement in funds		175,163	3,907,213	573,723	4,656,099	(1,345,574)

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 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Reconciliation of funds:					
Total funds brought forward	391,825	(4,109,792)	13,381,480	9,663,513	11,009,087
Net movement in funds	175,163	3,907,213	573,723	4,656,099	(1,345,574)
Total funds carried forward	566,988	(202,579)	13,955,203	14,319,612	9,663,513

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

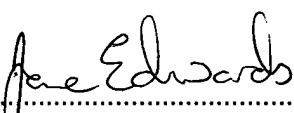
BALANCE SHEET
AS AT 31 AUGUST 2022

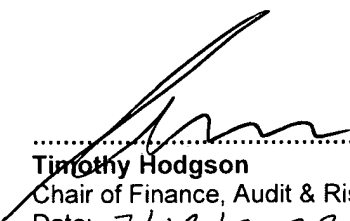
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	13,955,203	13,381,480
		<u>13,955,203</u>	<u>13,381,480</u>
Current assets			
Debtors	15	212,688	65,325
Cash at bank and in hand		1,516,586	1,634,523
		<u>1,729,274</u>	<u>1,699,848</u>
Creditors: amounts falling due within one year	16	(283,865)	(264,815)
Net current assets		<u>1,445,409</u>	<u>1,435,033</u>
Total assets less current liabilities		<u>15,400,612</u>	<u>14,816,513</u>
Net assets excluding pension liability		<u>15,400,612</u>	<u>14,816,513</u>
Defined benefit pension scheme liability	24	(1,081,000)	(5,153,000)
Total net assets		<u><u>14,319,612</u></u>	<u><u>9,663,513</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	13,955,203	13,381,480
Restricted income funds	17	878,421	1,043,208
		<u>14,833,624</u>	<u>14,424,688</u>
Restricted funds excluding pension liability	17	14,833,624	14,424,688
Pension liability	17	(1,081,000)	(5,153,000)
Total restricted funds	17	<u>13,752,624</u>	<u>9,271,688</u>
Unrestricted income funds	17	566,988	391,825
Total funds		<u><u>14,319,612</u></u>	<u><u>9,663,513</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

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


.....
Jane Edwards
Chair of Trustees
Date: 7/12/2022


.....
Timothy Hodgson
Chair of Finance, Audit & Risk Committee
Date: 7/12/2022

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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(72,635)	432,929
Cash flows from investing activities	20	(45,302)	(17,732)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(117,937)	415,197
Cash and cash equivalents at the beginning of the year		1,634,523	1,219,326
Cash and cash equivalents at the end of the year	21, 22	<hr/> 1,516,586 <hr/>	<hr/> 1,634,523 <hr/>

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 2022

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 2019), the Academies Accounts Direction 2021 to 2022 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 2022

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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

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 2022

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.

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.

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.

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 Pensions (continued)

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.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA capital Grants				
Devolved formula capital grant	-	18,713	18,713	18,632
	-	18,713	18,713	18,632
Other Donations	5,292	11,650	16,942	24,803
Capital Grants	-	834,771	834,771	12,500
Total 2022	5,292	865,134	870,426	55,935
<i>Total 2021</i>	12,703	43,232	55,935	

4. Funding for the Academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Academy's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,140,000	2,140,000	2,140,000
Other DfE/ESFA grants				
Pupil premium	-	72,292	72,292	77,559
Other DfE Group grants	-	84,304	84,304	45,759
Other Government grants				
Local authority revenue funding	-	2,573,889	2,573,889	2,619,740
Other income from the academy trust's academy's educational operations	18,573	-	18,573	18,094
Total 2022	18,573	4,870,485	4,889,058	4,901,152
<i>Total 2021</i>	18,094	4,883,058	4,901,152	

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy's educational operations (continued)

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.

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities/other lettings	43,052	43,052	12,437
School clubs and other income	4,473	4,473	121
Staff consultancy income	103,621	103,621	3,078
Total 2022	<u>151,146</u>	<u>151,146</u>	<u>15,636</u>
<i>Total 2021</i>	<u>15,636</u>	<u>15,636</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Short term deposits	152	152	147
<i>Total 2021</i>	<u>147</u>	<u>147</u>	

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Academy's educational operations:					
Direct costs	3,666,220	-	214,130	3,880,350	3,583,408
Allocated support costs	1,134,021	388,490	667,822	2,190,333	1,755,848
	<u>4,800,241</u>	<u>388,490</u>	<u>881,952</u>	<u>6,070,683</u>	<u>5,339,256</u>
<i>Total 2021</i>	<u>4,235,022</u>	<u>330,568</u>	<u>773,666</u>	<u>5,339,256</u>	

The expenditure on academy's educational operations (excluding expenditure relating to the restricted pension fund) was £5,326,683 (2021: £4,813,256) of which £Nil was unrestricted (2021: £Nil), £5,001,458 restricted (2021: £4,509,681) and £325,215 restricted fixed assets (2021: £303,575).

8. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Academy's educational operations	<u>3,880,350</u>	<u>2,190,333</u>	<u>6,070,683</u>	<u>5,339,256</u>
<i>Total 2021</i>	<u>3,583,408</u>	<u>1,755,848</u>	<u>5,339,256</u>	

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	3,666,220	3,666,220	3,399,050
Educational supplies	86,307	86,307	68,648
Examination fees	4,935	4,935	2,931
Professional services - educational	55,330	55,330	39,767
IT equipment & consumables	50,541	50,541	56,520
Administration fees	144	144	118
Transportation costs	16,873	16,873	16,374
Total 2022	3,880,350	3,880,350	3,583,408
<i>Total 2021</i>	<i>3,583,408</i>	<i>3,583,408</i>	

Analysis of support costs

	Academy's educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	91,000	91,000	65,000
Staff costs	1,134,021	1,134,021	835,972
Depreciation and amortisation	325,215	325,215	303,575
Technology costs	53,889	53,889	57,985
Premises costs	388,490	388,490	330,568
Other support costs	177,448	177,448	148,726
Governance costs	20,270	20,270	14,022
Total 2022	2,190,333	2,190,333	1,755,848
<i>Total 2021</i>	<i>1,755,848</i>	<i>1,755,848</i>	

THE PROPELLER ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	2,938	2,938
Depreciation of tangible fixed assets	325,215	303,575
Fees paid to auditors for:		
- audit	11,025	10,500
- other services	2,510	2,170
	<u>11,025</u>	<u>10,500</u>
	<u>2,510</u>	<u>2,170</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,175,825	2,930,288
Social security costs	261,384	231,969
Pension costs	1,320,125	1,068,860
	<u>4,757,334</u>	<u>4,231,117</u>
Agency supply staff costs	42,907	3,905
	<u>4,800,241</u>	<u>4,235,022</u>

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:

	2022 No.	2021 No.
Teachers	25	23
Administration and support	65	63
Management	8	7
	<u>98</u>	<u>93</u>

THE PROPELLER ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
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	1
	<u>1</u>	<u>1</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 £673,202 (2021 £528,563).

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, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £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 2022**

14. Tangible fixed assets

	Leasehold Building £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	15,112,516	400,558	122,660	39,270	15,675,004
Additions	834,776	64,162	-	-	898,938
At 31 August 2022	<u>15,947,292</u>	<u>464,720</u>	<u>122,660</u>	<u>39,270</u>	<u>16,573,942</u>
Depreciation					
At 1 September 2021	1,808,500	341,237	120,225	23,562	2,293,524
Charge for the year	272,896	42,030	2,435	7,854	325,215
At 31 August 2022	<u>2,081,396</u>	<u>383,267</u>	<u>122,660</u>	<u>31,416</u>	<u>2,618,739</u>
Net book value					
At 31 August 2022	<u>13,865,896</u>	<u>81,453</u>	<u>-</u>	<u>7,854</u>	<u>13,955,203</u>
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>

15. Debtors

	2022 £	2021 £
Trade debtors	42,189	32,202
VAT recoverable	156,299	17,156
Prepayments and accrued income	14,200	15,967
	<u>212,688</u>	<u>65,325</u>

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16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	26,188	50,173
Other taxation and social security	66,920	51,534
Other creditors	87,057	75,072
Accruals and deferred income	103,700	88,036
	<u>283,865</u>	<u>264,815</u>
	2022 £	2021 £
Deferred income		
Deferred income at 1 September 2021	60,251	20,661
Resources deferred during the year	22,700	60,251
Amounts released from previous periods	(60,251)	(20,661)
Deferred income at 31 August 2022	<u>22,700</u>	<u>60,251</u>

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

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17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	391,825	175,163	-	-	-	566,988
Restricted general funds						
General Annual Grant (GAG)	1,043,208	2,140,000	(2,270,983)	(33,804)	-	878,421
Pupil Premium	-	72,292	(72,292)	-	-	-
Other DfE funding	-	84,304	(84,304)	-	-	-
Local authority revenue funding	-	2,573,889	(2,573,889)	-	-	-
Pension reserve	(5,153,000)	-	(744,000)	-	4,816,000	(1,081,000)
	<u>(4,109,792)</u>	<u>4,870,485</u>	<u>(5,745,468)</u>	<u>(33,804)</u>	<u>4,816,000</u>	<u>(202,579)</u>
Restricted fixed asset funds						
ESFA DfC and LA capital funding	31,132	18,713	-	(49,845)	-	-
Fixed asset fund	13,338,248	834,771	(325,215)	107,399	-	13,955,203
Capital donations	12,100	11,650	-	(23,750)	-	-
	<u>13,381,480</u>	<u>865,134</u>	<u>(325,215)</u>	<u>33,804</u>	<u>-</u>	<u>13,955,203</u>
Total Restricted funds	<u>9,271,688</u>	<u>5,735,619</u>	<u>(6,070,683)</u>	<u>-</u>	<u>4,816,000</u>	<u>13,752,624</u>
Total funds	<u><u>9,663,513</u></u>	<u><u>5,910,782</u></u>	<u><u>(6,070,683)</u></u>	<u><u>-</u></u>	<u><u>4,816,000</u></u>	<u><u>14,319,612</u></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 2022.

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.

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

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17. Statement of funds (continued)

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

	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>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Fitzwaryn School	911,973	774,021
Kingfisher School	533,436	661,012
Total before fixed asset funds and pension reserve	1,445,409	1,435,033
Restricted fixed asset fund	13,955,203	13,381,480
Pension reserve	(1,081,000)	(5,153,000)
Total	14,319,612	9,663,513

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Fitzwaryn School	2,058,491	101,676	285,208	2,445,375	2,258,847
Kingfisher School	2,088,750	112,454	354,889	2,556,093	2,250,834
Other finance costs and pension costs	653,000	-	91,000	744,000	526,000
Academy trust	4,800,241	214,130	731,097	5,745,468	5,035,681

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	13,955,203	13,955,203
Current assets	566,988	1,162,286	-	1,729,274
Creditors due within one year	-	(283,865)	-	(283,865)
Provisions for liabilities and charges	-	(1,081,000)	-	(1,081,000)
Total	566,988	(202,579)	13,955,203	14,319,612

Analysis of net assets between funds - prior 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

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(159,901)	(360,574)
Adjustments for:		
Depreciation	325,215	303,575
Capital grants from DfE and other capital income	(853,484)	(31,132)
Interest receivable	(152)	(147)
Defined benefit pension scheme cost less contributions payable	653,000	461,000
Defined benefit pension scheme finance cost	91,000	65,000
Increase in debtors	(147,363)	(5,087)
Increase in creditors	19,050	294
Net cash (used in)/provided by operating activities	<u>(72,635)</u>	<u>432,929</u>

20. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	152	147
Purchase of tangible fixed assets	(898,938)	(49,011)
Capital grants from DfE Group	853,484	31,132
Net cash used in investing activities	<u>(45,302)</u>	<u>(17,732)</u>

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,516,586	1,634,523
Total cash and cash equivalents	<u>1,516,586</u>	<u>1,634,523</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,634,523	(117,937)	1,516,586
	<u>1,634,523</u>	<u>(117,937)</u>	<u>1,516,586</u>

23. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>188,136</u>	<u>-</u>

The capital commitments are fully funded by grant funding.

24. 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 £48,417 were payable to the schemes at 31 August 2022 (2021 - £67,119) 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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24. 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 £332,760 (2021 - £309,907).

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 2022 was £373,000 (2021 - £386,000), of which employer's contributions totalled £288,000 (2021 - £298,000) and employees' contributions totalled £ 85,000 (2021 - £88,000). 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
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24. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.05	2.9
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	22.2	22.4
Females	24.5	24.7
<i>Retiring in 20 years</i>		
Males	23.1	23.4
Females	26.1	26.3

Sensitivity analysis

The following table shows the sensitivity of the total obligation to movements in key estimates.

	2022	2021
	£000	£000
Discount rate +0.1%	5,889	9,745
Discount rate -0.1%	6,187	10,245
Mortality assumption - 1 year increase	6,280	10,395
Mortality assumption - 1 year decrease	5,796	9,595
CPI rate +0.1%	6,225	10,227
CPI rate -0.1%	5,941	9,763

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	3,718,000	3,583,000
Other bonds	744,000	823,000
Property	446,000	339,000
Cash and other liquid assets	49,000	97,000
Total market value of assets	4,957,000	4,842,000

The actual return on scheme assets was £(201,000) (2021 - £754,000).

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

	2022 £	2021 £
Current service cost	653,000	759,000
Interest income	(82,000)	(67,000)
Interest cost	173,000	132,000
Total amount recognised in the Statement of Financial Activities	744,000	824,000

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

	2022 £	2021 £
At 1 September	9,995,000	7,392,000
Cash value of employer contributions	288,000	298,000
Current service cost	653,000	461,000
Interest cost	173,000	132,000
Employee contributions	85,000	88,000
Actuarial (gains)/losses	(5,099,000)	1,672,000
Benefits paid	(57,000)	(48,000)
At 31 August	6,038,000	9,995,000

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	4,842,000	3,750,000
Interest income	82,000	67,000
Actuarial (losses)/gains	(283,000)	687,000
Employer contributions	288,000	298,000
Employee contributions	85,000	88,000
Benefits paid	(57,000)	(48,000)
At 31 August	4,957,000	4,842,000

25. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts due within one year	2,657	2,938
Amounts due between one and five years	446	3,103
	3,103	6,041

26. Members' liability

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

27. 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 Academy Trust 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.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Agency arrangements

The academy trust distributes 16-19 bursaries to students as an agent for the ESFA. In the accounting period ending 31 August 2022, the Trust received £2,612 (2021: £5,692) and disbursed £2,612 (2021: £5,692) from the fund. There were no funds relating to undistributed amounts repayable to the ESFA that were carried forward (2021: £nil).