

Company Registration No. 08277622 (England and Wales)

**JIGSAW LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

JIGSAW LEARNING TRUST

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JIGSAW LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Kingston
L Culkin
L Kennedy
B Middleton
N Craggs

Trustees

H Hartnack
W Angus (Accounting Officer)
T Hope (Resigned 1 September 2017)
J A Colclough (Resigned 1 September 2017)
E Dunbar (Resigned 1 September 2017)
F J Cooke (Resigned 1 September 2017)
L Kennedy (Resigned 1 September 2017)
H Akien
Dr A A Jackson
A D Kingston (Chair of Trustees) (Appointed 1 September 2017)
L Culkin (Resigned 1 September 2017)
B Middleton (Resigned 1 September 2017)
K F Hern
G Batten
L Lavelle (Appointed 1 February 2018)
K Barrass (Appointed 1 February 2018)

Senior management team

- CEO/Principal Fulwell Infant School
- Principal Ouston Primary School
- Finance Director

W Angus
L Lavelle
T Hope

Company registration number

08277622 (England and Wales)

Registered office

Ebdon Lane
Fulwell
Sunderland
Tyne & Wear
SR6 8ED

Academies operated

Fulwell Infant School Academy
Ouston Primary School

Location
Sunderland
Chester-Le-Street

Principal

W Angus
L Lavelle

Independent auditor

Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

JIGSAW LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
5th Floor
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Thorp Parker Newtons
Martin House
13 High Street
Stokesley
North Yorkshire
TS9 5AD

JIGSAW LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a trustee's report and a directors' report under company law.

The trust operates 2 academies one for pupils aged 3 to 7 serving a catchment area in Sunderland North and one for pupils aged 4 to 11 in Chester le Street County Durham. The combined total number of pupils on roll is 634 as at the last census in May 2018.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no capital share (registration number 08277622) and an exempt charity under the Academies Act 2010. The company commenced operation as Fulwell Infant School Academy on 1st December 2012 and became a multi academy trust (Jigsaw Learning Trust) on the 1st September 2017. Fulwell Infant School Academy is the lead school. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Directors of the charitable company are nominated by either the Secretary of State for Education or by the members.

The trustees of the Academy are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Jigsaw Learning Trust.

There are three layers of governance:-

- Members (who control the strategic direction of the Trust and appoint Trustees)
- Trustees (who are responsible for overseeing the day-to-day management and operation of the Trust led by the CEO)
- Local Governing Bodies (who guide, support and monitor the work of the academies in school improvement and education)

Details of the trustees who served during the year are included in the Reference and Administrative Details.

Members' liability

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

Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of trustees

The Governing Body comprises three categories of governor as set out in the Articles of Association. The Articles of Association of the Academy state that Members may appoint up to 9 Trustees.

Members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees including the Chief Executive Officer if they so choose to act a Trustee who are employees of the Academy Trust does not exceed one third of the total number of Trustees. The Head teacher is treated as an ex officio Trustee.

Parent Trustees shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time they are elected. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post, or if preferred their ballot paper returned to the Academy Trust by a registered pupil.

Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person known to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and given every opportunity to do so.

Trustees may appoint up to 3 Co-opted Trustees, a Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

The term of office for any Trustees shall be 4 years, subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy.

The following categories set out the broad range of skills, knowledge or prior experiences that is expected to be held across the trust.

- Leadership
- Education Performance and Curriculum
- Finance
- Human Resources
- Business
- Legal

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of trustees

New Trustees and Governors will be given a tour of the Academies and the chance to meet staff and pupils with a view to ensuring the Trustee/Governor has a good understanding of the Academy Trust's philosophy and its day-to-day operation. Trustee and Local Governor Training is taken very seriously by the Trust.

The executive and leadership teams on governance, financial and other educational matters brief trustees and Governors regularly. The Trust's CEO provides a regular educational update on topical matters for Trustees and Governors. Members are encouraged to participate in training programmes and courses arranged by the Academies. Specific training is provided on technical issues to keep Trustees and Governors updated on all relevant developments affecting their role and responsibilities.

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust purchases support in that provides for individual and full Governing Body training through an annual Course Directory which is reviewed each year to reflect any changes in practice and legislation.

New trustees are provided with an induction pack and are issued with a copy of the Code of Practice for Members of the Governing Body which covers the Seven Principles of Public Life (the Nolan Principles) which are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Trustees attend 'Introduction to Governor' training and other courses relevant to their specific areas of interest and the committees they wish to sit on or wish to join. Trustees are invited to attend staff training days where subjects covered are relevant.

Training days held this year for Members and Trustees included Finance and GDPR.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The management structure of the Trust consists of the MAT Board membership, Directors and Local Governing Bodies, specific committees and the Senior Leadership Teams in each school.

The Directors fulfil a strategic role: setting general policy, approving an annual Trust plan and budget, monitoring performance against the plan and budget and making decisions about the Trustees of the charitable company, capital expenditure and the Senior Leadership Team appointments across the Trust. The CEO is the Accounting Officer. The board delegates a number of monitoring and evaluation functions to the Local Governing Bodies (LGBs) at each academy. Each Local Governing Body (LGB) reviews annual improvement plans and budgets and recommends these to the board of trustees, monitors academy performance and oversees parent and community relationships.

Trustees are responsible for the proper stewardship of trust funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability or propriety.

Trustees have delegated the day to day responsibility to the CEO, as Accounting Officer they have specific responsibilities for financial matters and is personally responsible to Parliament and the Accounting Officer of the ESFA. They have a personal responsibility for Regularity, Propriety and Value for Money.

These are the following committees:

- Finance & Premises – meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements.
- Personnel Committee – meets on a termly basis or as and when required ensuring that all procedures relating to the recruitment, selection and appointment of all staff in school meet statutory and safeguarding requirements. Approve and keep under review all HR related policies of the academy.
- Standards Committee – meets on a termly basis to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment. To ensure the curriculum meets statutory requirements, to monitor the impact of curriculum planning and policies on pupil progress with particular reference to individual groups.
- The following committees meet as required: Admissions, Appeals, Performance Management and Complaints.

Governance structure is illustrated below:

Mat Board Members

Directors/Trustees

Finance Committee, Personnel Committee, Standards Committee

Fulwell Infant LGB

Ouston Primary LGB

The Academy has a leadership structure which consists of the Trustees, the CEO, Senior Leadership (SLT) and Senior Management Team (SMT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust is committed to taking all relevant decisions in accordance with the principles of public life as listed in DFE guidance (namely objectivity, openness and accountability).

The pay and remuneration of the Trust CEO and School Senior Leadership Teams is reviewed and agreed by the Trust Pay & Personnel Committee annually linked to performance management targets and appraisal.

Decisions relating to pay will at all times be made with reference to achievement against performance objectives, standards and career stage expectations.

Trustees will annually review the salaries of the members of the Leadership Group in accordance with paragraph 11 of the STCPD. All decisions regarding pay progression will be related to the individual's performance and appraisal reports.

Where the evidence demonstrates sustained high quality of performance, Trustees will consider the award of one point. Where the evidence shows exceptional performance, Trustees may consider the use of its flexibilities to pay enhanced pay progression up to the maximum of two additional points.

In accordance with paragraph 10 of the STCPD, Trustees will consider awarding an additional payment to the Principal only for clearly temporary responsibilities or duties that are in addition to the post for which the salary has been determined. External independent advice will be sought before deciding whether or not to proceed.

Staff Governors, the CEO and Academy Principles receive remuneration in respect of services they provide in their capacity as an employee under their contracts of employment, and not in respect of their role as a trustee.

The Academy Trust recognises that while trustees are volunteers, they do incur costs in the course of carrying out their duties. Allowances may only be paid if the costs are wholly and necessarily incurred in carrying out their duties as a governor or representative of the academy (mainly travelling expenses).

During the period ended 31 August 2018 travelling expenses totalling £76.23 were paid to 1 trustee.

Trade union facility time

The Trust recognises the right of Trade Unions to represent and protect the interests of their members both individually and collectively and has signed a Trade Union Recognition Agreement. The Trust has 7 members of staff acting as trade union representatives none of which receive paid or unpaid facility time for trade union activities within or outside of the trust.

Related parties and other connected charities and organisations

Trustees and Senior Leadership Team members are required to declare any business or related interests that may impact on the academy trust. The adopted policy is that if interests are declared then the relevant party will remove themselves from the decision making process. A register of pecuniary interests is published on the trust's website, and further information is held on file at each relevant academy.

For the period ending 31st August 2018, 8 trustees declared connections to organisations or related party relationships. During the reporting period no transactions were carried out that would have impacted these declared relationships.

Objectives and activities

Objects and aims

The principal objective and of the charitable company is the operation of Jigsaw Learning Trust is 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 the academies within the Trust by offering a broad and balanced curriculum.

Ensuring clarity of vision, ethos and strategic direction by holding the principals to account for the educational performance of the school and its' pupils. Overseeing the financial performance of the schools and making sure its money is well spent.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The Academy Trust's principal activities are to provide each child with an education that will equip them to become responsible citizens, to make informed choices having both self respect and respect for others. In addition to this we firmly believe in providing all children with a wide range of opportunities, sporting, musical, cultural, recreational and social. Our mission is to create a safe, stimulating and happy learning environment within which every child is able to realise their potential.

In order to achieve this, we will:

- Deliver a broad and balanced curriculum, with an emphasis on the core subjects that supports the development of every child towards fulfilling their potential
- Encourage children to be respectful, compassionate and honest in all their relationships
- Encourage children to develop an understanding and respect of individual differences
- Consistently apply our policies in support of the above.
- Develop the partnership with all Parents and the community in the life of the Academies
- Create and maintain good links with our Junior School and feeder schools to provide a seamless education for our children.
- Provide opportunities for personal and professional development for all who work for the Trust.
- To raise the standards of educational achievement of all pupils
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct Trust business in accordance with the highest standards of integrity, probity and openness

On the 1st February 2018 Ouston Primary School joined the Trust and a new board of trustees were established.

As trustees of a charity, academy trustees must comply with the following duties:

Compliance – they must ensure that the charity's resources are used for the charitable purpose and that the charity complies with the law and its governing document i.e. the Articles of Association.

Care – they should take reasonable care in their work. In practice it simply means ensuring that the academy trust is managed efficiently and effectively. It also means considering the need for professional advice on matters where there may be material risk to the charity.

Prudence – they must act responsibly, making sure that the academy trust's assets are protected and used for the benefit of the charity. The trustees must ensure that the academy trust is solvent and keeps appropriate financial records. These requirements are reflected in the funding agreement and Academies Financial Handbook 2018.

Trustees have reviewed and adopted the following policies relating to Finance and Governance during the period 2017/18.

- Funding Agreement
- Articles of Association
- Scheme of Delegation
- Academy Financial Handbook
- Anti-fraud Bribery and Corruption
- Investment Policy
- Assets and Disposal Policy
- Confidential reporting (whistleblowing)

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Strategic report

Achievements and performance

In the academic year 2017-2018, Fulwell Infant School Academy was successful in achieving all of its aims for the academic year. This included supporting others as a National Support School, being approved as an academy sponsor and being appointed as an Inspire Maths Advocate School.

In 2017-2018, The Academy sustained high achievement and performance throughout the school. Results demonstrated outstanding progress band attainment in all Key Stages.

2017-2018 FULWELL INFANT OUTCOMES

It is clear that children's attainment across school continues to be at a high level. This is consistent across all year groups. Progress continues to be positive despite challenges presented by high prior attainment in Early Years Foundation Stage and the increased expectations for KS1 assessments in 2018.

The headline figures are:

FULWELL RECEPTION Good Level of Development (GLD) 2018

83.3% of Reception children achieved a GOOD LEVEL OF DEVELOPMENT in 2018. This is OUTSTANDING. (81% in 2017, 82% in 2016)

80% (76% in 2017) of boys and 86.7% of girls reached the Good Level of Development. Results demonstrate that provision at Fulwell Infants has accelerated boys progress and attainment in the last year. In all areas boys are exceeding national.

School data on entry has declined in recent years and, despite a wide range of abilities on entry, skills and understanding are generally below typical for their age.

This equates to meeting the expected standard in the first 12 Early Learning Goals, including reading, writing and number.	% of children					
	ALL	SEN	PP	EAL	BOYS	GIRLS
	90 children	6 children	4 children	5 children	45 boys	45 girls
Good Level of Development	83.3%	29.8%	75%	100%	80%	86.7%

This year group made outstanding progress to reach these standards, fully supported by the evidence in their books. They are well prepared to enter year 1. The average point total is 36.8 points (National APS 2017 34.5 points).

2018 FULWELL RECEPTION CLASS ATTAINMENT	% at expected +
% of the year group attaining at least the expected level in READING	84%
% of the year group attaining at least the expected level in WRITING	83%
% of the year group attaining at least the expected level in MATHS	88%

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

FULWELL PRIORITIES FOR 2018-2019

The results above sit comfortably with our current Ofsted judgment and we will continue to support other schools, as a National Support School / Academy Sponsor in developing their practice to achieve similar standards to our own in the coming year. Our focus will be 'writing', specifically spelling and continuing work to support the achievement of vulnerable groups – boys, EAL and SEN.

1. To improve attainment in writing through accuracy of spelling and punctuation to 85% of children reaching the expected standard in 2019.
2. To improve the children's higher order skills in writing to improve the % attaining the higher level to 28% in 2019.
3. Through planned, timely interventions in phonics, improve the % passing the screen in 2019 to 95%.
4. To develop children's mental fluency and rapid recall of number bonds and times tables together with their ability to reason and problem solve through the Daily Maths meeting. 88% of children to reach the expected standard in maths in 2019.

FULWELL YEAR 1 PHONICS 2018

The Year 1 cohort includes 1 child with an EHCP'. The children attained **93% pass** in the phonics screen with an average passmark of **37 (35.8 in 2017)** (32 being the pass mark). This is a commendable outcome and an improvement of 2% on 2017. The National % pass in 2017 was 81%).

Attainment in the Year 1 phonics screen is above National as a result of consistent, skilled phonics teaching, rigorous tracking and successful intervention programmes.

FULWELL YEAR 2 (END OF KEY STAGE 1) ATTAINMENT 2018

At the end of Key Stage 1, is consistently outstanding overall. Standards are significantly above National Average for children meeting the expected standard (+12% in Reading, +13% in Writing and +11% in Maths).

2018 YEAR 2 ATTAINMENT	FISA 2018		National 2017	Difference - National 2017
	Expected +	Higher (GD)		
% of the year group attaining at least the expected level in READING (% attaining the HIGHER level)	88%	42%	76%	+12%
% of the year group attaining at least the expected level in WRITING (% attaining the HIGHER level)	81%	24%	68%	+13%
% of the year group attaining at least the expected level in MATHS (% attaining the HIGHER level)	86%	33%	75%	+11%
% attaining the expected level in Reading, Writing and Maths (RWM)	81%		62%	+19%

**** Results include 5 children with Education Health Care Plans (EHCP), 3 of whom were disapplied from testing. Also included is a child arriving from overseas on April 16th 2018, having not accessed the national curriculum at all.**

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2017-2018 OUSTON PRIMARY SCHOOL OUTCOMES

Ouston Primary School joined Jigsaw Learning Trust on 1st February 2018, following a good Ofsted Inspection in September 2017. Formerly an Infant and Junior School, they became Ouston Primary School in 2015 following amalgamation by Durham Local Authority. They are a single form entry school, situated in Ouston Village, Chester Le Street.

Ouston results in 2018 were as follows:

OUSTON RECEPTION Good Level of Development (GLD) 2018

72.7%* of Reception children achieved a GOOD LEVEL OF DEVELOPMENT in 2018. National 2017: 70.7% Ouston 2017: 71%.

*Target was 77%. One pupil only below expected in one GLD strand due to a specific learning difficulty, another pupil (PP) should have reached this but lots of absence due to family circumstances (will boost in Y1 with targeted intervention)

2018 OUSTON RECEPTION CLASS ATTAINMENT	% at expected +	Exceeding
% of the year group attaining at least the expected level in READING	82%	24%
% of the year group attaining at least the expected level in WRITING	82%	21%
% of the year group attaining at least the expected level in MATHS	82%	27%

OUSTON YEAR 1 PHONICS 2018

The children attained 89% pass (97% in 2017) in the phonics screen with 1 pupil joining the cohort the week before the phonics screen and did not pass. (32 being the pass mark). This is a commendable outcome. The National % pass in 2017 was 81%.

Attainment in the Year 1 phonics screen is above National as a result of consistent, skilled phonics teaching, rigorous tracking and successful intervention programmes.

OUSTON YEAR 2 (END OF KEY STAGE 1) ATTAINMENT 2018

At the end of Key Stage 1, is good overall. Standards are above National Average for children meeting the expected standard (+4% in Reading, +9% in Writing and +5% in Maths).

2018 YEAR 2 ATTAINMENT	OUSTON 2018		National 2017	Difference - National 2017
	Expected +	Higher (GD)		
% of the year group attaining at least the expected level in READING (% attaining the HIGHER level)	80%	37%	76%	+4%
% of the year group attaining at least the expected level in WRITING (% attaining the HIGHER level)	77%	20%	68%	+9%
% of the year group attaining at least the expected level in MATHS (% attaining the HIGHER level)	80%	27%	75%	+5%
% attaining the expected level in Reading, Writing and Maths (RWM)	77%		62%	+15%

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

OUSTON YEAR 6 (END OF KEY STAGE 2) ATTAINMENT 2018

Context:

9/40 (23%) are on the SEND register in this cohort. There have been a wide range of behavioural/emotional/social issues to the extent that we had to run a Nurture Group for 2 terms during Year 4 (6 pupils). 4/9 of these SEND pupils have been assessed by CAMHs and 3 of these have a diagnosis of ADHD/ASD/AD either as a single or combined diagnosis. Of the remaining 5 SEND pupils, 3 of these were dis-applied from the KS2 SATs. A further non-SEND pupil came to us in Y4 on the point of permanent exclusion from their previous school, having missed most of their Y3 year teaching.

2018 YEAR 6 ATTAINMENT	OUSTON 2018		National 2018	Difference - National 2017
	Expected +	Higher (GD)		
% of the year group attaining at least the expected level in READING (% attaining the HIGHER level)	73%*	20%*	75%	-2%
<p><i>*Two pupils' tests have been sent for a review- they are 1 mark from expected level and possible marks have been found in papers. If successful, the EXP % would increase to 78%. Another pupil is 1 mark from High Score, again this has been sent for review as a possible additional mark found. If successful, the HS % would rise to 23%. Results of these are usually shared by the end of August.</i></p> <p><i>PP Pupils: 67% of this group achieved at least expected level. Of the remaining 33% (3 pupils), one pupil was SEND and L1 at KS1, one was SEND and failed to convert from L2b at KS1 to Y6 EXP and one was 1 mark away from Y6 EXP and paper sent for review.</i></p> <p>Cohort Average Progress Score: - 0.55 <i>Ouston 2017: - 1.1</i></p> <p><i>PP Pupils Average Progress Score: 0.49</i></p>				
% of the year group attaining at least the expected level in WRITING (% attaining the HIGHER level)	73%	20%	68%	-5%
<p><i>PP Pupils: 55% of this group achieved at least expected level. Of the remaining 45%, 22.5% are SEND and were L1 or W at KS1. Of the other 22.5% (2 pupils), one was L2c at KS1 and one failed to convert from L2b at KS1 to Y6 EXP.</i></p> <p>Cohort Average Progress Score: 0.04 <i>Ouston 2017: 1.3</i></p> <p><i>PP Pupils Average Progress Score: - 0.91</i></p>				
% of the year group attaining at least the expected level in MATHS (% attaining the HIGHER level)	78%	18%	76%	+2%
<p><i>PP Pupils: 44% of this group achieved at least expected level. Of the remaining 56% (5 pupils), three were SEND; two of these were L2c at KS1 and one failed to convert from L2b at KS1 to Y6 EXP. Two non-SEND pupils also failed to convert from L2b at KS1.</i></p> <p>Cohort Average Progress Score: - 0.66 <i>Ouston 2017: - 2.0</i></p> <p><i>PP Pupils Average Progress Score: - 3.87</i></p>				
% of the year group attaining at least the expected level in GRAMMAR, PUNCTUATION and SPELLING (% attaining the HIGHER level)	65%	20%	78%	-13%
% attaining the expected level in Reading, Writing and Maths (RWM)	60%		64%	-4%
<p><i>*If the 2 expected level Reading reviews are successful, this would increase to 65%</i></p>				

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

OUSTON PRIORITIES FOR 2018-19

- Increase Reception GLD %
- Increase KS2 Reading scores at both levels, but particularly HS. This result was surprising as pupils performed better than this in practice SATs in March using 2017 tests (80% and 30%). Question analysis will be carried out to see which question type pupils struggled with in the 2018 tests.
- Maintain/further increase % at Maths EXP level. The impact of White Rose this year can be seen in the 10% increase from 2017- we will aim to increase this further. The % at HS however must be a priority and needs to move above national. PP Progress score also needs to increase- KS1 scores are more accurate/reliable from current Y5 onwards and progress scores should increase in 2019.
- KS2 GPS at both levels- will look at a programme suggested by MA that she has seen have a significant impact in other schools.
- Although Writing is below national, progress from KS1 is reasonable, following low KS1 scores (65% 2b +). The Y6 cohort 2018-19 are on track to be above national levels in 2019.
- KS2 RWM % to increase

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. On the 12th July at a meeting of the MAT Board and Trust Directors a three year budget forecast was approved for both schools. The budget forecasts an in year surplus and continued solvency through adequate cash backed reserves. 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 can be found in the Statement of Accounting Policies.

Financial review

Financial and Risk Management Objectives and Policies

The main sources of income for the Trust are grants from the Education Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives Early Years grant funding and Special Educational Needs Funding for High needs pupils, the use of which is also restricted to particular purposes.

The Trust receives grants for fixed assets from the ESFA. In accordance with the Statement of Recommended Practice such grants are shown in the statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Trusts accounting policies.

During the year ended 31 August 2018, total expenditure of £2,166,742 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding fixed asset funds, pension movements and funds on conversion) was £188,594.

At 31 August 2018 the net book value of fixed assets was £5,703,480. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Reserves policy

The Governing Body is responsible for determining the level of financial reserves to be carried forward at the end of each financial year (31 August).

The Trusts free reserves are its funds after excluding restricted funds. Free reserves are therefore the resources the Academy has or can make available to spend for any or all of the Trusts purposes once it has met its commitments and covered its other planned expenditure.

The Trust held fund balances as at 31 August 2018 of £522,811 comprising of restricted and unrestricted funds.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

This comprises of £317,967 of unrestricted funds and restricted general reserves of £204,844 (excluding the impact of the deficit on the LGPS pension scheme).

Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

Trustees have determined that the appropriate level of free reserves should be equivalent to at least 1 month's cash in hand as working balances to cover salaries and monthly expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

Academy Trusts reserves have been used in 2017/18 to support academy growth moving forward by building an office extension and creating additional nursery surroundings in order to cope with the demand for parents requesting 30 hour places and after school provision.

Trust reserves will also be used to support a staffing restructure.

Investment policy

The Academy will operate an interest bearing current account with a bank approved by the Governing Body and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Our aim is to spend the publicly funded monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The academy does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow. Monies surplus to the working requirements will be invested short term only.

The Academy has no funds invested as at 31 August 2018.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The Trust has a Risk Register and Risk Management process which is reviewed on an annual basis. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact.

Governors have assessed the major risks to which the Academy is exposed, in particular those relating to strategic, operational and finance. Trustees have implemented a system to assess risks, especially in the operational areas which includes teaching and health and safety and in relation to the control of finance. Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The principal risks and uncertainties continue to arise from the rapid pace of change in the educational landscapes arising from the change in government and the development of the Academies framework. As an outstanding school the demand for places in reception continues to increase, however data has shown of a decline in the birth rate and nursery numbers have reduced. Changes to funding arrangements by the ESFA have been assessed; robust strategic financial plans are being developed for three years. Economies are being considered to ensure a future balanced budget and preservation of reasonable reserves.

The Trust has produced a three year recovery forecast to determine the effects of funding changes on the bottom line and considered the effect of funding reforms in future years. This includes:

- Increased salary expenditure linked to national pay award and incremental increases
- Loss of grant funding
- Anticipation of the national funding formula and its impact
- Mitigating the income reduction due to falling rolls by addressing the demand for 30 hour places and introducing After School Provision.
- Extending the age range and opening an Early Years Provision at Ouston Primary
- Addressing the historical issue of over staffing at Ouston Primary
- Prudent financial planning and management of resources are core activities with the focus on staffing, central services, income generation and leadership development.

The trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Director Finance and Premises Committee meetings. The trustees also ensure sufficient funds are held to cover all known and anticipated commitments. Pupil numbers remain the key driving force behind funding and the academy will continue to make every effort to ensure our numbers continue to remain stable.

In addition the trust is a member of two Local Government Pension Schemes (LGPS) which results in the recognition of a significant liability on the trusts balance sheet. However the Trust considers that each individual Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

Fundraising is seen by Jigsaw Learning Trust as a legitimate means of improving the school's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting the schools.

The Board of Trustees is responsible for ensuring that:

- Correct procedures are in place and followed for fundraising activities,
- Expenditure is properly validated,
- All funds raised are properly accounted for and audited,
- The money is expended in accordance with the objectives agreed with the fund raisers.

Fundraising activities will be recognised so long as they are generally within the strategic direction of the Trust's plans and ethos. Fundraising by staff must be approved in advance, fundraising by external bodies will be recognised, although such bodies will be encouraged to advise the Trust of their intentions and be guided by the Trust.

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. A key strength of the Trust is the range of expertise and talent available within the workforce and this will continue to be deployed in a collaborative manner to provide challenge and support.

The Trust will continue to work in partnership with other schools developing and improving educational opportunities for all children as part of local and national forums and as part of the CEO' role as a National Leader in Education and as an advocate for the Inspire Maths programme.

Further improvement of the Trusts estate ensuring compliance with requirements around Health and Safety and welfare of pupils and other users of Trust buildings. It is hoped to secure additional investment through capital bids (CIF) from available funding sources.

Establish an Early Years Provision within Ouston Primary and further develop 30 hour childcare throughout the trust.

The Academy Trust expects both pupil numbers and staffing to remain stable. Budget forecasts have been submitted to the ESFA within the required timescale, Trustees in partnership with Academy Principles have prepared an Academy development plan which considers the aims and objectives for the forthcoming year.

The Academy will continue to work with and explore the possibility of other schools and academies joining the trust and look at sponsoring an academy or maintained school if approached by the ESFA.

We will continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

To use the reserves held in an efficient manner.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communication to the auditor.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 06 December 2018 and signed on its behalf by:



A S Kingston
Chair of Trustees

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Jigsaw Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendances during the year at meetings of the Board of Trustees were as follows:

Trustees	Meetings attended	Out of possible
H Hartnack	7	7
W Angus (Accounting Officer)	7	7
T Hope (Resigned 1 September 2017)	0	0
J A Colclough (Resigned 1 September 2017)	0	0
E Dunbar (Resigned 1 September 2017)	0	0
F J Cooke (Resigned 1 September 2017)	0	0
L Kennedy (Resigned 1 September 2017)	0	0
H Akien	1	7
Dr A A Jackson	4	7
A D Kingston (Chair of Trustees) (Appointed 1 September 2017)	1	7
L Culkin (Resigned 1 September 2017)	0	0
B Middleton (Resigned 1 September 2017)	0	0
K F Hern	5	7
G Batten	2	7
L Lavelle (Appointed 1 February 2018)	4	7
K Barrass (Appointed 1 February 2018)	1	7

The governance of the school:

The governing body is extremely well informed regarding how well pupils are performing, including those eligible for the pupil premium. Senior members of the governing body have a professional background in education enabling them to be acutely aware of the quality of teaching on offer. Subject leaders, as well as the Principle, write regular informative reports, and members of the governing body visit lessons to look at the quality of pupils' work. As a result, they are very well placed to offer support and challenge in equal measure.

The governors insist on making sure that central to any extra remuneration for teachers is a link to their performance, their overall contribution to the school and to pupils' achievement. A dedicated governor responsible for safeguarding ensures that governors thoroughly monitor the policies and school's procedures and that the school's arrangements to safeguard pupils meet government requirements.

All Trustees and staff complete a Register of Business Interests form on an annual basis. Business interests of Trustees and senior leaders are published on the academy's website.

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Governance Reviews:

An in depth review of governance was carried out at the time the academy applied to become a Multi Academy Trust and Academy Sponsor, thus ensuring a balance of diversity, knowledge, skills and experience providing strategic leadership and accountability, covering three core functions

- Ensuring clarity of vision, ethos and strategic direction;
- Holding senior leaders to account for the educational performance of the school and its pupils;
- Overseeing the financial performance of the school and making sure its money is well spent

In order to continue to deliver these functions effectively a skills audit will be carried out on an annual basis in the autumn term.

The Directors Finance & Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Review detailed budget and management accounts (including variance analysis).
- Review the effectiveness of the School's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner
- Review Risk Management Procedures
- Oversee statutory compliance in areas related to the specific work of the Personnel, Health & Safety, Premises and Finance Committees.

Attendance during the year at meetings of the Directors Finance Committee were as follows:

Trustees	Meetings attended	Out of possible
H Hartnack	3	3
W Angus (Accounting Officer)	3	3
T Hope (Resigned 1 September 2017)	3	3
Dr A A Jackson	2	3
K F Hern	2	3
G Batten	2	3

Attendance during the year at meetings of the Directors Personnel Committee were as follows:

Trustees	Meetings attended	Out of possible
H Hartnack	2	2
W Angus (Accounting Officer)	2	2
T Hope (Resigned 1 September 2017)	2	2
L Kennedy (Resigned 1 September 2017)	1	2
H Akien	1	2
Dr A A Jackson	1	2
L Culkin (Resigned 1 September 2017)	1	2
K F Hern	1	2
L Lavelle (Appointed 1 February 2018)	2	2
K Barrass (Appointed 1 February 2018)	1	2

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance during the year at meetings of the Directors Standards Committee were as follows:

Trustees	Meetings attended	Out of possible
A Kingston	1	2
W Angus	2	2
T Hope	2	2
H Akien	0	2
L Lavelle	1	2
K Hern	2	2
Dr AA Jackson	1	2
H Hartnack	2	2

Attendance during the year at meetings of the trust members were as follows:

Trustees	Meetings attended	Out of possible
A Kingston	1	3
B Middleton	3	3
L Kennedy	3	3
L Culkin	2	3
N Craggs	0	3

Review of value for money

I accept that as accounting officer of Fulwell Infant School Academy I am responsible and accountable for ensuring that the trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The academy trust has focused on targeted improvement linked to the Academy Improvement Plan to ensure maximum impact for pupils. This has included ensuring that the academy is delivering the new curriculum fully and correctly and in an engaging way which enable its pupils to thrive.

The investment in the curriculum is an element of the budget which has a direct impact on outcomes for pupils.

Specific examples include:

- Significant development work in implementation of the new national curriculum, including both core and other subjects
- Ensuring standards remain high by monitoring teacher and teaching assistant performance
- Following best value practices when appointing contractors, work carried out this year included an office extension and an internal refurbishment in order to create an additional nursery environment and after school provision.

The Trust recognises the need to continually develop and improve its processes around securing the most competitive process to maximise the quality of outputs and benefit from economies of scale. From September 2018 we have added capacity to our finance team to enable increased focus on achieving better Value for Money and to encourage School Business Managers from each academy to share best practices and experience.

All expiring contracts will be appraised and where appropriate renegotiated in a timely manner assessing value for money. The school ensures that tenders are sourced where appropriate to ensure value for money. The trust has developed procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.

Financial governance and oversight is strong in the academy. The governing body has considerable financial and management experience and ensure strong challenge is in place. Reserve levels are reviewed annually, taking into consideration the future plans of the academy, the uncertainty over future income streams and other key risks identified. Regular budget to actual comparisons are produced and discussed with the finance and premises committee.

Value for money is a key part of ensuring we are able to improve through better systems that lead to better outcomes for pupils.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties;
- Identification and management of risks.

In order to deliver assurance the academy trust has considered the need for a specific internal audit function and has appointed Sunderland City Council as internal auditor. Trustees agreed a programme of work carried out on an annual basis and the Trusts first audit as a MAT was carried out by M Skelton in July 2018.

Introduction and Objectives

In accordance with the agreement between Jigsaw Learning Trust and Sunderland City Council for the provision of internal audit services, the above audit was recently completed.

The objective of the audit was to determine the level of assurance that can be provided on the Academy's governance and financial management arrangements.

The scope of the audit included a review of the following:

- Roles and responsibilities;
- Delegation arrangements;
- Awareness of and compliance with laid down rules and procedures (including compliance with the Academies' Financial Handbook);
- Anti-fraud and corruption measures;
- Financial planning, monitoring and reporting;
- Collection, recording and banking of income;
- Expenditure, including payroll administration; and
- Accounting arrangements.

Income and expenditure arrangements were reviewed through testing samples of transactions processed through the academy's main financial systems.

Ouston Primary School Academy joined the Jigsaw Learning Trust from 1st February 2018, and transactions from this date were included for sample testing.

Key risks to the achievement of the objectives of the area under review were identified. The key controls to manage those risks were then identified, assessed for adequacy and tested to confirm whether they are operating as planned.

Discussions were held with the following officers:

- W Angus, CEO Headteacher
- T. Hope, Finance Director
- A Tyrell, School Business Manager, Ouston Primary Academy

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Summary of Findings

The audit did not reveal any matters which are considered to be high or of a significant risk and an action plan detailing 2 medium risks and 2 low risks were agreed.

In conclusion the findings of the audit give substantial assurance that the Trust has effective governance and financial management arrangements in place.

The controls evaluated are well designed, appropriate in scope and applied consistently and effectively. Any issues identified are minor in nature and should not prevent objectives being achieved.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and ensures continuous improvement of the system is in place.

Approved by order of the board of trustees on 06 December 2018 and signed on its behalf by:



W Angus
Accounting Officer



A S Kingston
Chair of Trustees

JIGSAW LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Jigsaw Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



W Angus
Accounting Officer

06 December 2018

JIGSAW LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Jigsaw Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

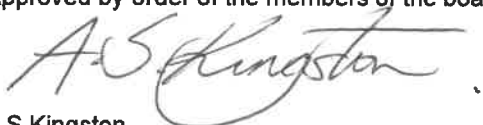
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 06 December 2018 and signed on its behalf by:



A S Kingston
Chair of Trustees

JIGSAW LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JIGSAW LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Jigsaw Learning Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

JIGSAW LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JIGSAW LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the 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 incorporated 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 accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

JIGSAW LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JIGSAW LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

Baldwins

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

11/12/18

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Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

JIGSAW LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JIGSAW LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Jigsaw Learning Trust during the period 1 September 2017 to 31 August 2018 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 Jigsaw Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Jigsaw Learning 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 Jigsaw Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Jigsaw Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Jigsaw Learning Trust's funding agreement with the Secretary of State for Education dated 1 December 2012 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 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.

JIGSAW LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant
Baldwins Audit Services

Dated:11/12/18.....

JIGSAW LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	660	-	14,827	15,487	10,030
Donations - transfer from local authority on conversion	27	168,504	(654,000)	3,002,191	2,516,695	-
Charitable activities:						
- Funding for educational operations	4	47,021	2,234,718	-	2,281,739	1,532,469
Other trading activities	5	72,645	-	-	72,645	41,765
Investments	6	292	-	-	292	280
Total		289,122	1,580,718	3,017,018	4,886,858	1,584,544
Expenditure on:						
Raising funds	7	70,151	-	-	70,151	25,256
Charitable activities:						
- Educational operations	8	24,278	2,144,313	119,186	2,287,777	1,644,246
Total	7	94,429	2,144,313	119,186	2,357,928	1,669,502
Net income/(expenditure)		194,693	(563,595)	2,897,832	2,528,930	(84,958)
Transfers between funds	20	-	(74,839)	74,839	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	22	-	261,000	-	261,000	371,000
Net movement in funds		194,693	(377,434)	2,972,671	2,789,930	286,042
Reconciliation of funds						
Total funds brought forward		123,274	(371,722)	2,736,547	2,488,099	2,202,057
Total funds carried forward		317,967	(749,156)	5,709,218	5,278,029	2,488,099

JIGSAW LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	2,371	-	7,659	10,030
Charitable activities:					
- Funding for educational operations	4	7,512	1,524,957	-	1,532,469
Other trading activities	5	41,765	-	-	41,765
Investments	6	280	-	-	280
Total		51,928	1,524,957	7,659	1,584,544
Expenditure on:					
Raising funds	7	25,256	-	-	25,256
Charitable activities:					
- Educational operations	8	-	1,575,654	68,592	1,644,246
Total	7	25,256	1,575,654	68,592	1,669,502
Net income/(expenditure)		26,672	(50,697)	(60,933)	(84,958)
Transfers between funds	20	-	(55,717)	55,717	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	371,000	-	371,000
Net movement in funds		26,672	264,586	(5,216)	286,042
Reconciliation of funds					
Total funds brought forward		96,602	(636,308)	2,741,763	2,202,057
Total funds carried forward		123,274	(371,722)	2,736,547	2,488,099

JIGSAW LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	13		5,564		5,333
Tangible assets	14		5,697,916		2,731,214
			<u>5,703,480</u>		<u>2,736,547</u>
Current assets					
Stocks	15	8,404		7,331	
Debtors	16	67,396		46,903	
Cash at bank and in hand		641,330		384,388	
		<u>717,130</u>		<u>438,622</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(180,777)		(188,846)	
Net current assets			<u>536,353</u>		<u>249,776</u>
Total assets less current liabilities			<u>6,239,833</u>		<u>2,986,323</u>
Creditors: amounts falling due after more than one year	18		(7,804)		(9,224)
Net assets excluding pension liability			<u>6,232,029</u>		<u>2,977,099</u>
Defined benefit pension scheme liability	22		(954,000)		(489,000)
Net assets			<u>5,278,029</u>		<u>2,488,099</u>
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			5,709,218		2,736,547
- Restricted income funds			204,844		117,278
- Pension reserve			(954,000)		(489,000)
Total restricted funds			<u>4,960,062</u>		<u>2,364,825</u>
Unrestricted income funds	20		<u>317,967</u>		<u>123,274</u>
Total funds			<u>5,278,029</u>		<u>2,488,099</u>



A S Kingston
Chair of Trustees

Company Number 08277622

JIGSAW LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	23	158,666		137,841	
Cash funds transferred on conversion		168,504		-	
		<u>327,170</u>		<u>137,841</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		292		280	
Capital grants from DfE Group		14,827		7,659	
Purchase of intangible fixed assets		-		(6,000)	
Purchase of tangible fixed assets		(83,927)		(57,376)	
		<u>(68,808)</u>		<u>(55,437)</u>	
Net cash used in investing activities			(68,808)		(55,437)
Cash flows from financing activities					
Repayment of other loan		(1,420)		(710)	
		<u>(1,420)</u>		<u>(710)</u>	
Net cash used in financing activities			(1,420)		(710)
Net increase in cash and cash equivalents in the reporting period			256,942		81,694
Cash and cash equivalents at beginning of the year			384,388		302,694
Cash and cash equivalents at end of the year			<u>641,330</u>		<u>384,388</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Jigsaw Learning Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The reported share of the LGPS deficit in the year has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Ouston Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Land and buildings have been transferred into the trust based on values provided by the local authority. Other funds and the pension liability are based on values provided by the local authority and pension actuaries. Further details of the transaction are set out in note 27.

1.4 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.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.6 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

1.7 Tangible fixed assets and depreciation

Assets costing £500 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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. Land and buildings are valued on a depreciated replacement cost basis derived from ESFA and local authority valuations.

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.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 of services it must provide.

1.9 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.10 Financial instruments

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

Financial assets

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

Cash at bank 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. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pensions benefits

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

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 projected unit method. The 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 are 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.

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 Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting 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 22, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Assets on conversion have been estimated based on information from the local authority and the predecessor schools.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	14,827	14,827	7,659
Other donations	660	-	660	2,371
	<u>660</u>	<u>14,827</u>	<u>15,487</u>	<u>10,030</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,619,437	1,619,437	1,032,042
Other DfE group grants	-	261,812	261,812	180,353
	-	1,881,249	1,881,249	1,212,395
Other government grants				
Local authority grants	-	353,469	353,469	312,562
Other funding				
Catering income	22,743	-	22,743	6,991
Other incoming resources	24,278	-	24,278	521
	47,021	-	47,021	7,512
Total funding	47,021	2,234,718	2,281,739	1,532,469

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	3,819	-	3,819	2,425
Catering income	493	-	493	273
Educational visits	16,410	-	16,410	3,698
Uniforms	3,638	-	3,638	2,187
Other income	48,285	-	48,285	33,182
	72,645	-	72,645	41,765

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	292	-	292	280

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	25,976	-	44,175	70,151	25,256
Academy's educational operations					
- Direct costs	1,380,338	-	50,617	1,430,955	1,050,082
- Allocated support costs	363,746	258,457	234,619	856,822	594,164
	<u>1,770,060</u>	<u>258,457</u>	<u>329,411</u>	<u>2,357,928</u>	<u>1,669,502</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	6,450	6,000
- Other services	4,000	3,758
Operating lease rentals	13,717	11,621
Depreciation of tangible fixed assets	115,917	68,421
Amortisation of intangible fixed assets	3,269	-
Loss on disposal of fixed assets	-	171
Net interest on defined benefit pension liability	20,000	15,000
	<u>20,000</u>	<u>15,000</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	24,278	1,406,677	1,430,955	1,050,082
Support costs				
Educational operations	-	856,822	856,822	594,164
	<u>24,278</u>	<u>2,263,499</u>	<u>2,287,777</u>	<u>1,644,246</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities

(Continued)

	2018	2017
	£	£
Analysis of support costs		
Support staff costs	363,746	281,370
Depreciation and amortisation	119,186	68,592
Technology costs	10,287	4,459
Premises costs	139,271	95,774
Other support costs	156,019	124,195
Governance costs	68,313	19,774
	<u>856,822</u>	<u>594,164</u>

9 Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- information technology support
- school improvement and leadership

The trust has utilised growth funding to support this and to grow capacity at the centre, No charges were made to the two schools in this period.

10 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	1,287,153	939,125
Social security costs	107,002	76,550
Pension costs	302,101	227,663
Staff costs	<u>1,696,256</u>	<u>1,243,338</u>
Agency staff costs	28,871	380
Staff restructuring costs	34,110	52,692
Staff development and other staff costs	10,823	5,658
Total staff expenditure	<u>1,770,060</u>	<u>1,302,068</u>

Staff restructuring costs comprise:

Redundancy payments	<u>34,110</u>	<u>52,692</u>
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JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £16,896 (2017: £nil). Individually, the payments were: £16,896 made on 21 September 2018.

Staff numbers

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

	2018 Number	2017 Number
Teachers	47	29
Administration and support	35	22
Management	7	5
	<u>89</u>	<u>56</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>2</u>

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) received by key management personnel for their services to the academy trust was £203,087 (2017: £181,220).

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

W Angus (Headteacher and trustee):

Remuneration	£80,001 - £85,000 (2017: £75,001 - £80,000)
Employer's pension contributions	£10,001 - £15,000 (2017: £10,001 - £15,000)

T Hope (Trustee) - resigned 1 September 2017:

Remuneration	£nil (2017: £35,001 - £40,000)
Employer's pension contributions	£nil (2017: £5,001 - £10,000)

E Dunbar (Trustee) - resigned 1 September 2017:

Remuneration	£nil (2017: £35,001 - £40,000)
Employer's pension contributions	£nil (2017: £5,001 - £10,000)

J Colclough (Trustee) - resigned 1 September 2017:

Remuneration	£nil (2017: £10,001 - £15,000)
Employer's pension contributions	£nil (2017: £1 - £5,000)

L Lavelle (Headteacher and trustee):

Remuneration	£35,001 - £40,000 (2017: £nil)
Employer's pension contributions	£5,001 - £10,000 (2017: £nil)

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2017	6,000
Transfer on conversion	3,500
At 31 August 2018	9,500
Amortisation	
At 1 September 2017	667
Charge for year	3,269
At 31 August 2018	3,936
Carrying amount	
At 31 August 2018	5,564
At 31 August 2017	5,333

14 Tangible fixed assets

	Land & buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2017	2,900,807	67,085	86,208	3,054,100
Transfer on conversion	2,945,991	8,500	44,200	2,998,691
Additions	66,996	1,919	15,012	83,927
At 31 August 2018	5,913,794	77,504	145,420	6,136,718
Depreciation				
At 1 September 2017	223,790	57,030	42,066	322,886
Charge for the year	86,287	9,105	20,524	115,916
At 31 August 2018	310,077	66,135	62,590	438,802
Net book value				
At 31 August 2018	5,603,717	11,369	82,830	5,697,916
At 31 August 2017	2,677,017	10,055	44,142	2,731,214

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15	Stocks	2018	2017
		£	£
	Materials	8,404	7,331
		<u> </u>	<u> </u>
16	Debtors	2018	2017
		£	£
	VAT recoverable	28,075	25,835
	Other debtors	-	818
	Prepayments and accrued income	39,321	20,250
		<u> </u>	<u> </u>
		67,396	46,903
		<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year	2018	2017
		£	£
	Other loans	1,420	1,420
	Other taxation and social security	-	1,879
	Other creditors	-	146
	Accruals and deferred income	179,357	185,401
		<u> </u>	<u> </u>
		180,777	188,846
		<u> </u>	<u> </u>
18	Creditors: amounts falling due after more than one year	2018	2017
		£	£
	Other loans	7,804	9,224
		<u> </u>	<u> </u>
	Analysis of loans		
	Wholly repayable within five years	9,224	10,644
	Less: included in current liabilities	(1,420)	(1,420)
		<u> </u>	<u> </u>
	Amounts included above	7,804	9,224
		<u> </u>	<u> </u>
	Loan maturity		
	Debt due in one year or less	1,420	1,420
	Due in more than two years but not more than five years	5,680	5,680
	Due in more than five years	2,124	3,544
		<u> </u>	<u> </u>
		9,224	10,644
		<u> </u>	<u> </u>

Included in other loans is a Salix interest free loan, repayable by September 2023.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	91,096	115,030
Deferred income at 1 September 2017	115,030	54,170
Released from previous years	(115,030)	(54,170)
Resources deferred in the year	91,096	115,030
Deferred income at 31 August 2018	91,096	115,030

Deferred income includes Universal Infant Free School Meals funding, breakfast club income and rates relief received in advance of the 2018/19 academic year.

20 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	117,278	1,619,437	(1,466,032)	(74,839)	195,844
Other DfE / ESFA grants	-	261,812	(252,812)	-	9,000
Other government grants	-	353,469	(353,469)	-	-
Pension reserve	(489,000)	(654,000)	(72,000)	261,000	(954,000)
	(371,722)	1,580,718	(2,144,313)	186,161	(749,156)
Restricted fixed asset funds					
Transfer on conversion	2,272,834	3,002,191	(93,359)	-	5,181,666
DfE group capital grants	225,040	14,827	(16,754)	-	223,113
Capital expenditure from GAG	238,673	-	(9,073)	74,839	304,439
	2,736,547	3,017,018	(119,186)	74,839	5,709,218
Total restricted funds	2,364,825	4,597,736	(2,263,499)	261,000	4,960,062
Unrestricted funds					
General funds	123,274	289,122	(94,429)	-	317,967
Total funds	2,488,099	4,886,858	(2,357,928)	261,000	5,278,029

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants include regional growth grant, PE grant, pupil premium and universal infant free school meals funding.

Other government grants includes funding for pupils with special educational needs and early years grants.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

Capital grants include Devolved Formula Capital grants of £14,827. £9,089 has been utilised to fund asset additions with £5,738 carried forward for future use.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure in the year has also been funded by GAG and unrestricted funds. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The academy's restricted general and unrestricted funds were £517,295 at 31 August 2018.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	152,692	1,032,042	(1,011,739)	(55,717)	117,278
Other DfE / ESFA grants	-	180,353	(180,353)	-	-
Other government grants	-	312,562	(312,562)	-	-
Pension reserve	(789,000)	-	(71,000)	371,000	(489,000)
	<u>(636,308)</u>	<u>1,524,957</u>	<u>(1,575,654)</u>	<u>315,283</u>	<u>(371,722)</u>
Restricted fixed asset funds					
Transfer on conversion	2,318,695	-	(45,861)	-	2,272,834
DfE group capital grants	233,879	7,659	(16,498)	-	225,040
Capital expenditure from GAG	189,189	-	(6,233)	55,717	238,673
	<u>2,741,763</u>	<u>7,659</u>	<u>(68,592)</u>	<u>55,717</u>	<u>2,736,547</u>
Total restricted funds	<u>2,105,455</u>	<u>1,532,616</u>	<u>(1,644,246)</u>	<u>371,000</u>	<u>2,364,825</u>
Unrestricted funds					
General funds	96,602	51,928	(25,256)	-	123,274
	<u>96,602</u>	<u>51,928</u>	<u>(25,256)</u>	<u>-</u>	<u>123,274</u>
Total funds	<u>2,202,057</u>	<u>1,584,544</u>	<u>(1,669,502)</u>	<u>371,000</u>	<u>2,488,099</u>

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Fulwell Infant School Academy	380,600	240,552
Ouston Primary School	142,211	-
	<u>522,811</u>	<u>240,552</u>
Total before fixed assets fund and pension reserve	522,811	240,552
Restricted fixed asset fund	5,709,218	2,736,547
Pension reserve	(954,000)	(489,000)
	<u>5,278,029</u>	<u>2,488,099</u>
Total funds	<u>5,278,029</u>	<u>2,488,099</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Fulwell Infant School Academy	933,840	226,438	36,199	273,415	1,469,892
Ouston Primary School	472,474	85,309	14,418	124,650	696,851
	<u>1,406,314</u>	<u>311,747</u>	<u>50,617</u>	<u>398,065</u>	<u>2,166,743</u>

21 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	5,564	5,564
Tangible fixed assets	-	-	5,697,916	5,697,916
Current assets	319,706	391,686	5,738	717,130
Creditors falling due within one year	(1,739)	(179,038)	-	(180,777)
Creditors falling due after one year	-	(7,804)	-	(7,804)
Defined benefit pension liability	-	(954,000)	-	(954,000)
Total net assets	<u>317,967</u>	<u>(749,156)</u>	<u>5,709,218</u>	<u>5,278,029</u>

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2017 are represented by:				
Intangible fixed assets	-	-	5,333	5,333
Tangible fixed assets	-	-	2,731,214	2,731,214
Current assets	123,274	315,348	-	438,622
Creditors falling due within one year	-	(188,846)	-	(188,846)
Creditors falling due after one year	-	(9,224)	-	(9,224)
Defined benefit pension liability	-	(489,000)	-	(489,000)
Total net assets	<u>123,274</u>	<u>(371,722)</u>	<u>2,736,547</u>	<u>2,488,099</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £114,685 (2017: £86,522).

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

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

(Continued)

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.3% for employers and 5.5 - 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined the scheme in the period. 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.

Total contributions made	2018 £	2017 £
Employer's contributions	135,000	85,000
Employees' contributions	30,000	20,000
Total contributions	<u>165,000</u>	<u>105,000</u>
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	<u>2.0</u>	<u>2.0</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	22.9	22.8
- Females	26.4	26.3
Retiring in 20 years		
- Males	25.1	25.0
- Females	<u>28.7</u>	<u>28.6</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
	£	£
Discount rate + 0.1%	2,805,000	1,750,000
Discount rate - 0.1%	2,935,000	1,839,000
Mortality assumption + 1 year	2,787,000	1,741,000
Mortality assumption - 1 year	2,951,000	1,847,000
CPI rate + 0.1%	2,907,000	1,819,000
CPI rate - 0.1%	2,832,000	1,769,000

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

	2018	2017
	Fair value	Fair value
	£	£
Equities	1,228,405	862,605
Government bonds	147,580	50,895
Cash	57,002	50,895
Corporate bonds	220,902	150,075
Property	157,029	117,450
Other assets	104,082	73,080
Total market value of assets	1,915,000	1,305,000

The actual return on scheme assets was £160,000 (2017: £135,000).

Amount recognised in the Statement of Financial Activities

	2018	2017
	£	£
Current service cost	187,000	141,000
Interest income	(39,000)	(22,000)
Interest cost	59,000	37,000
Total operating charge	207,000	156,000

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	1,794,000	1,860,000
Obligations acquired on conversion	948,000	-
Current service cost	187,000	141,000
Interest cost	59,000	37,000
Employee contributions	30,000	20,000
Actuarial gain	(140,000)	(258,000)
Benefits paid	(9,000)	(6,000)
	<hr/>	<hr/>
At 31 August 2018	2,869,000	1,794,000
	<hr/>	<hr/>

Changes in the fair value of the academy trust's share of scheme assets

	2018 £	2017 £
At 1 September 2017	1,305,000	1,071,000
Assets acquired on conversion	294,000	-
Interest income	39,000	22,000
Actuarial gain	121,000	113,000
Employer contributions	135,000	85,000
Employee contributions	30,000	20,000
Benefits paid	(9,000)	(6,000)
	<hr/>	<hr/>
At 31 August 2018	1,915,000	1,305,000
	<hr/>	<hr/>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	2,528,930	(84,958)
Adjusted for:		
Net surplus on conversion to academy	(2,516,695)	-
Capital grants from DfE/ESFA and other capital income	(14,827)	(7,659)
Investment income receivable	(292)	(280)
Defined benefit pension costs less contributions payable	52,000	56,000
Defined benefit pension net finance cost	20,000	15,000
Depreciation of tangible fixed assets	115,917	68,421
Amortisation of intangible fixed assets	3,269	-
Loss on disposal of fixed assets	-	171
(Increase) in stocks	(1,073)	(368)
(Increase)/decrease in debtors	(20,494)	4,312
(Decrease)/increase in creditors	(8,069)	87,202
Net cash provided by operating activities	158,666	137,841

24 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	5,211	13,120
Amounts due in two and five years	8,906	10,308
	14,117	23,428

25 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The spouse of Mr K Hern, trustee, is employed by the trust. Mr Hern was not involved in this appointment and Mrs Hern is paid in accordance with standard payscales.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

27 Conversion to an academy

On 1st February 2018 the Ouston Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Jigsaw Learning Trust from the Durham Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Ouston Primary School	Chester-Le-Street	1 February 2018		
				2018
Net assets transferred:				£
Leasehold land and buildings				2,945,991
Other tangible fixed assets				56,200
Cash				168,504
LGPS pension surplus/(deficit)				(654,000)
				<u>2,516,695</u>
				<u><u>2,516,695</u></u>
				Total
	Unrestricted	Restricted funds:		2018
	Funds	General	Fixed asset	
Funds surplus/(deficit) transferred:	£	£	£	£
Fixed assets funds	-	-	3,002,191	3,002,191
LA budget funds	168,504	-	-	168,504
LGPS pension funds	-	(654,000)	-	(654,000)
	<u>168,504</u>	<u>(654,000)</u>	<u>3,002,191</u>	<u>2,516,695</u>
	<u><u>168,504</u></u>	<u><u>(654,000)</u></u>	<u><u>3,002,191</u></u>	<u><u>2,516,695</u></u>

The land and buildings are occupied on a 125 year lease from the local authority and have been valued based on local authority valuations. Other assets and liabilities are based on their fair value on the date of conversion.