

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 2019**

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

- resigned 12/01/19

Trustees

H Hartnack
W Angus (Accounting Officer)
H Akien
Dr A A Jackson
K F Hern
G Batten
L Lavelle
K Barrass
A S Kingston (Chair of Trustees)

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

Bankers

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

JIGSAW LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

JIGSAW LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 3 to 11 in Chester le Street County Durham. The combined total number of pupils on roll is 645 as at the last census in May 2019.

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 2019

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 2019

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 should focus on three core functions:

- ensuring clarity of vision, ethos and strategic direction
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- overseeing and ensuring effective financial performance

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 attended by trustees included, safeguarding, prevent and safer recruitment.

In order to assess the needs of the trust in its capacity to carry out its functions effectively a skills audit was carried out in the spring term. This was presented formally to Directors on 27th June 2019.

The skills audit reflects the high level of competence, support and challenge of trustees. It demonstrates a mixture of skills and expertise across all areas with no noticeable gaps in any area.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

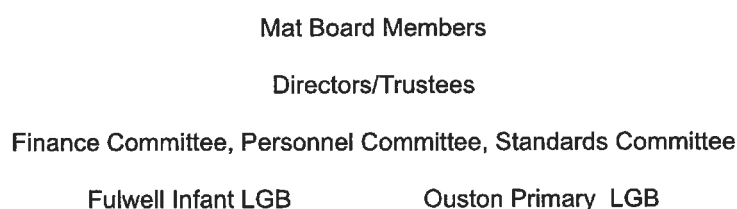
Trustees are responsible for the proper stewardship of trust funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability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



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 2019

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).

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 2019, 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 2019

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

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.

Trustees have reviewed and adopted the following policies relating to Finance and Governance during the period 2018/19.

- Scheme of Delegation
- Academy Financial Handbook
- Anti-fraud Bribery and Corruption
- Investment Policy
- Assets and Disposal Policy
- Confidential reporting (whistleblowing)
- Risk management Policy
- Business Continuity Policy
- Fundraising Policy

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.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Achievement and performance - Fulwell

Results at Fulwell Infant were excellent in 2018-2019 and reflect the strong teaching profile throughout the school. Two NQT's successfully completed their first year and achieved outstanding outcomes for their classes. We continued to support other schools and were appointed again as an Inspire Maths advocate school for 2019-2020.

Particularly noteworthy was the 98% pass in the year 1 phonics screen.

2018-2019 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 very positive through excellent teaching and high expectations.

The headline figures are:

FULWELL RECEPTION Good Level of Development 2019 (GLD)

80.3% achieved a Good Level of Development with 85% of girls reached the standard and 74% of boys. The gap in achievement between boys and girls was significant but was accelerated by the high number of boys with SEND (special needs).

School data on entry to nursery for this cohort was below typical in all key areas –reading, writing, and maths as well as in personal and social development.

The children made outstanding progress from a lower starting point, to reach these standards. Their average point score was:

37 points which exceeded the 36.8 point average in 2018.

The national average point total (2018) was 34.6.

2019 EXPECTED LEVEL +

READING	81.3%	expected +	26% higher standards
WRITING	82.4%	expected +	18% higher standards
NUMBER	84.6%	expected +	23% higher standards

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

FULWELL PRIORITIES FOR DEVELOPMENT 2019-2020

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 reading and writing (at the higher level). Reading will be a clear focus and involve reading within the whole curriculum, use of the library, reading for pleasure as well as the teaching of comprehension skills. In writing, we will further develop spelling, punctuation and grammar embedding these through writing across the curriculum. In maths, we will focus on fluency and reasoning. Our first priority will be the development of a new curriculum to maintain high standards in basic skills and promote key priorities such as children's mental health, opportunities in the local community, outdoor learning and British values.

1. To improve achievement in writing at the higher standard, embedding spelling, punctuation and grammar AND reading.
2. 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. In reception classes embed children's ability to count on and count back within computation to 20, securing fluency with teen numbers.
3. To develop the curriculum to embed key skills and common threads identified within our curriculum intent statement. To maintain high standards in basic skills whilst enriching the learning experiences of our children and embedding learning and committing this to long term memory.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

FULWELL YEAR 1 PHONICS 2019

The Year 1 cohort included a child with an EHCP.

98% of children passed the screen attaining at least 32 out of 40 marks.

This is very commendable and has resulted in a letter from Nick Gibb in past years.

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 2019

The Year 2 children also performed exceptionally well with standards in both writing and maths being higher than in 2018.

READING 88% expected + 40% higher standards

WRITING 85% expected + 24% higher standards

MATHS 91% expected + 35% higher standards

84% of the children achieved the expected standard in all three subjects.

Achievement and performance - Ouston

Results at Ouston Primary were good in Reception and KS1 and show a mainly improving picture in KS2, although we were disappointed with our expected level results in Maths which were below the national average due to 2 pupils coming close (2-3 marks away) but not quite reaching the 100 pass mark

Particularly noteworthy was the 97% pass in the year 1 phonics screen.

2018-2019 OUSTON PRIMARY OUTCOMES

The headline figures are:

OUSTON RECEPTION 2019

This is a small cohort of 26 pupils. Two of these pupils have significant needs and have top-up funding/EHCPs. Without them included, 75% achieved a Good Level of Development which is above national (69% for the cohort as a whole).

School data on entry to Reception for this cohort was below typical in a number of key areas, including reading, writing and personal and social development.

2019 EXPECTED LEVEL + (% in brackets is without the two EHCP pupils)

READING 77% (83%)

WRITING 69% (75%)

NUMBER 77% (83%)

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

OUSTON YEAR 1 PHONICS 2019

97% of children passed the screen attaining at least 32 out of 40 marks. Only one child didn't pass but made good progress from September and is likely to pass by the end of Year 2.

This is very commendable and has resulted in a letter from Nick Gibb in past years.

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

Our Phonics Tests were moderated by the Local Authority

OUSTON YEAR 2 (END OF KEY STAGE 1) ATTAINMENT 2019

The Year 2 children performed well with standards above the national average, although Reading at expected level is likely to be in line if national levels have gone up in 2019.

READING	77% expected +	34% higher standard
WRITING	77% expected +	23% higher standard
MATHS	80% expected +	27% higher standard

75% of the children achieved the expected standard in all three subjects

KS1 levels were moderated by the Local Authority

OUSTON YEAR 6 (END OF KEY STAGE 2) ATTAINMENT 2019

The Year 6 pupils achieved well in Writing with results above national at expected level and an increase of 6% from 2018. Greater depth results were in line with the national average.

Reading at expected level was just below the national average. However, one child was 2 marks away and her test is undergoing a marking review. If successful, we will move to 74% which is above the national average. We have also asked for Reviews for 4 pupils who were 1 or 2 points away from high score.

Maths results at expected level were disappointing with 2 pupils not quite reaching the pass mark of 100 (both scoring 99) meaning that results were below the national average. Our High Score results saw a 3% increase from 2018 results.

Our GPS expected level results saw an increase of 11% from 2018 results and were just below the national average of 78%. GPS High score results were disappointing and this is a focus area for 2019-20.

Our Read/Write/Maths combined result is currently below the national average but will move in line with national if the Reading review is successful.

National High Score Levels for Reading, Maths and GPS are not yet available; these will be published in September.

READING	71% expected +	24% higher standard
WRITING	79% expected +	19% higher standard
MATHS	74% expected +	21% higher standard
GPS	76% expected +	12% higher standard

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

OUSTON PRIORITIES FOR DEVELOPMENT 2019-2020

- Maths results in KS2 to improve and move beyond national at both levels. This will involve strengthening the teaching of White Rose Maths in KS1 and Year 3 and additional Maths intervention for Year 6 2019-20.
- Strengthen teaching in lower KS2 to replicate the rigorous and skilled approach seen in Upper KS2. Our English Lead (and usually Y6 teacher) will teach in Year 4 this year to improve standards across Y3/4.
- KS2 RWM combined to increase further and move beyond national
- KS2 GPS results to increase further, particularly at greater depth level.

A greater focus to be placed on GPS teaching across the school and all teachers to use the Classroom Secrets resource effectively. The English lead has given all teachers a three-week model for English planning which everyone must follow from September 2019. Regular GPS testing will also take place to ensure pupils are retaining this knowledge.

- Review progression overviews in each subject to ensure knowledge and skills build on what has been taught before and connections are made to embed learning and commit this to long term memory.
- End of Year 2, 4 and 6 descriptors to be finalised for all Foundation subjects and ensure assessment is robust in all foundation subjects, following the Humanities model.
- Ensure that the quality of teaching and pupil work across the curriculum in all year groups is consistently good. Weekly monitoring of all books will take place in the Autumn Term until we feel that this has been achieved.

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 11h 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 for the 2019-2020 year and will be supported through adequate cash backed reserves through 2021-2022. 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.

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

Financial and Risk Management Objectives and Policies

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 2019 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 2019, total expenditure of £3,149,274 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 £112,195.

At 31 August 2019 the net book value of fixed assets was £5,643,147. 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 2019 of £595,084 comprising of restricted and unrestricted funds.

This comprises of £350,328 of unrestricted funds and restricted general reserves of £244,756 (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 will be used to support future financial stability of the trust moving forward due to funding pressures, increasing staffing costs and pension contributions .

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019.

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. 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.

During meetings, Trustees consider and monitor the potential risks arising from the Trusts operations. They assess the materiality and likelihood of risks occurring and determine the actions that are needed to reduce and mitigate these risks.

Trustees are clear that the principal risks to the Academy are any potential future changes to Government funding, falling pupil numbers and staffing costs through pay wards and pension increases.

There is no assurance that government policy and practice will remain the same or that public funding will continue at the same levels or on the same terms. The trend at the moment is a reduction in funding these reductions are accompanied by increased financial pressures. Trustees monitor financial performance carefully and where possible steps are taken to ensure if necessary costs can be scaled back or varied accordingly.

The ongoing viability and continued success of the trust is dependent on attracting pupils by maintaining educational standards and maintaining a good reputation within the wider community. Trustee's staff and all other stakeholders are expected to show the highest standards of governance and probity in all aspects of their dealings with school and particularly with regard to the maintenance of the highest educational standards.

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

JIGSAW LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 CIF funding in order to replace the boilers and heating system within Ouston Primary. We will continue to promote the Early Years Provision across the trust and further develop before and after school provision.

The Trust will be proactive with changes in the education landscape and respond accordingly to ensure all pupils continue to be offered the best opportunities they can be.

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

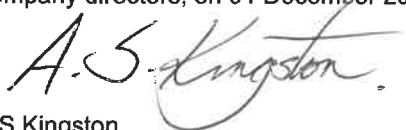
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 04 December 2019 and signed on its behalf by:



A S Kingston
Chair of Trustees

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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 to 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	3	7
W Angus (Accounting Officer)	7	7
H Akien	7	7
Dr A A Jackson	4	7
K F Hern	6	7
G Batten	5	7
L Lavelle	4	7
K Barrass	1	7
A S Kingston (Chair of Trustees)	3	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 2019

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	2	3
W Angus (Accounting Officer)	3	3
T Hope Finance Director	3	3
Dr A Jackson	3	3
H Akien	3	3
K F Hern	3	3
G Batten	3	3

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

Trustees	Meetings attended	Out of possible
H Hartnack	0	2
W Angus (Accounting Officer)	2	2
T Hope Finance Director	2	2
Dr A Jackson	0	2
H Akien	2	2
K F Hern	2	2
G Batten	1	2

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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

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

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

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

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Review of value for money

I accept that as accounting officer of Jigsaw Learning Trust 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.

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 opening a new nursery provision at Ouston, replacing IT equipment, external repairs and maintenance of premises and installing a new fire alarm system.
- Work commenced in the summer term on replacing the school roof at Ouston.

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.

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 2019 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 2019

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.

Introduction and Objectives

In accordance with the agreement between Jigsaw Learning Trust and Wearmouth Learning Trust for the provision of internal audit services, John Tutin FMAAT carried out an internal review of the Trusts systems and procedures on the 4th June 2019.

The objective of the audit was to provide assurance on whether the governance and financial management arrangements operating within the Trust are in accordance with the requirements of the Academies Financial Handbook, and operate effectively in practice to safeguard public funds and those officers involved in their administration.

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

- Governance arrangements;
- Financial planning and budgeting;
- Management of cash income
- Expenditure on payroll and the purchase of goods and services;
- Accounting arrangements.

Testing was carried out in order to confirm whether the controls are actually in place and being applied consistently.

Discussions were held with the following officers:

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

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Summary of Findings

It is pleasing to report that the audit did not reveal any matters which are considered to be high, significant, medium or low risk. Audit findings are positive and confirm that the arrangements in place to manage risk are appropriate and are being effectively applied in practice.

Governance Arrangements

Governance arrangements are considered suitably robust. The Trust has a clearly defined committee structure with meetings of the Trust Board, its committees and Local Governing Bodies held in accordance with the required frequency. Minutes are considered to be properly prepared, highlighting key points discussed, reports/documents presented for consideration and decisions reached. Minutes also reflect Trustee/governor questioning and challenge.

The Trust maintains an appropriate register of pecuniary interest declarations for Trustees, Governors and relevant staff, which is subject to annual review. Procedures also take account of the requirement in the current edition of the Academies' Financial Handbook (AFH) to ensure that any close family relationships between Trustees/Governors/employees are also declared.

A well-developed set of policies and procedures is maintained, including a Staff Handbook issued to all staff which sets out the Trust's requirements regarding staff conduct and wellbeing. A Confidential Reporting policy covering the process for raising concerns at work is also held and referred to in the Staff Handbook. Comprehensive information on the Trust's financial systems and procedures is documented within the Financial Regulations Manual.

Annual risk reviews take place and the results used to update the Trust's Risk Register to ensure that appropriate action is taken.

Financial planning and budgeting

Ample evidence of compliance with the AFH and good practice was available to review in this area. Both Academies have appropriately detailed and costed Development Plans and balanced budgets were set in 2018-19 approved by Trustees.

Management accounts for April '19 were reviewed as part of the audit and these are considered compliant with the requirements of the AFH in most areas and sufficiently detailed. The Finance Director undertakes regular budget monitoring routines, ensuring that the current budget remains on track. Detailed financial reports highlighting and explaining the current financial position are also presented to Trustees at every meeting.

Management of cash income

The arrangements for the management of cash income are considered appropriate. Income is banked monthly at Fulwell and the insurance limit for storage of this in the meantime is considered sufficient.

At Fulwell, all income due in March '19 was satisfactory traced from source collection record to the relevant bank statement.

Ouston Primary School Academy use ParentPay in the main to manage the collection of meals and other income, although payments for school trips are still taken manually in cash. One such trip, recently having taken place, was examined and the records of income are considered satisfactory. Records of collection were satisfactorily traced to the relevant bankings which were performed on a timely basis.

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Expenditure on payroll and the purchase of goods and services

Payment of salaries is the Trust's biggest financial commitment. Examination of payroll expenditure focussed on the total staffing complement and the legitimacy of payment. A sample of staff was selected from the latest payroll report and evidence of their existence was satisfactorily confirmed to papers present on their personal files.

A sample of recent purchases was extracted at both Academy sites and the details traced back satisfactorily to originating records (supplier invoice, delivery detail, official requisition). All such requisitions were authorised in line with the Trust's delegation scheme.

Spending on the Trust's credit card account was examined for one recent month. All spending was verified as accurate and appropriate by reference to adequate supporting evidence.

Accounting arrangements

The Trust use PS Financials as their accounting system and the Finance Director confirmed that this is an effective package, well able to support the Trust in its financial management and that regular back-ups are taken which are stored off-site. The Trust also use an appropriate chart of accounts, carry out checks to ensure accurate coding of income and expenditure transactions and undertake regular bank reconciliations, the results of which are evidenced on file.

The Finance Director prepares cash flow statements documenting the Trust's cash position up to the current point in time. This is presented to Trustees as part of the monthly management accounts and reports. Predictions of the Trust's cash position to a future point in time are not currently performed, although the FD commented that the Trust is aware through its three-year budget planning process that there are pressures ahead which could mean that a closer focus on the Trust's ongoing cash position will be necessary. Although this seems a reasonable position to adopt, the AFH states that regular forecasts of a Trust's future cash position must be prepared.

In conclusion the findings of the audit give substantial assurance that the controls in place within the governance and financial management arrangements operating in the Trust adhere to the requirements of the Academies Financial Handbook and are working effectively in practice to safeguard public funds and those officers involved in their administration.

The controls evaluated are well designed, appropriate in scope and applied consistently and effectively.

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.

JIGSAW LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 04 December 2019 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 2019

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 2018.

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 2018.

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



W Angus
Accounting Officer

04 December 2019

JIGSAW LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 04 December 2019 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 2019

Opinion

We have audited the accounts of Jigsaw Learning Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2018 to 2019.

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 trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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 2019

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 2019

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.

Baldwin's Audit Services

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

13/12/19

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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 2019

In accordance with the terms of our engagement letter dated 25 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Jigsaw Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwin's Audit Services

Reporting Accountant

Baldwin's Audit Services

Dated: *13/12/19*

JIGSAW LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	7,160	-	547,044	554,204	15,487
Donations - transfer from local authority on conversion		-	-	-	-	2,516,695
Charitable activities:						
- Funding for educational operations	4	48,038	2,700,448	-	2,748,486	2,281,739
Other trading activities	5	120,889	-	-	120,889	72,645
Investments	6	403	-	-	403	292
Total		176,490	2,700,448	547,044	3,423,982	4,886,858
Expenditure on:						
Raising funds	7	23,066	-	-	23,066	70,151
Charitable activities:						
- Educational operations	9	121,063	3,036,004	160,141	3,317,208	2,287,777
Total	7	144,129	3,036,004	160,141	3,340,274	2,357,928
Net income/(expenditure)		32,361	(335,556)	386,903	83,708	2,528,930
Transfers between funds	20	-	184,468	(184,468)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(447,000)	-	(447,000)	261,000
Net movement in funds		32,361	(598,088)	202,435	(363,292)	2,789,930
Reconciliation of funds						
Total funds brought forward		317,967	(749,156)	5,709,218	5,278,029	2,488,099
Total funds carried forward		350,328	(1,347,244)	5,911,653	4,914,737	5,278,029

JIGSAW LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	660	-	14,827	15,487
Donations - transfer from local authority on conversion		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
Other trading activities	5	72,645	-	-	72,645
Investments	6	292	-	-	292
Total		<u>289,122</u>	<u>1,580,718</u>	<u>3,017,018</u>	<u>4,886,858</u>
Expenditure on:					
Raising funds	7	70,151	-	-	70,151
Charitable activities:					
- Educational operations	9	24,278	2,144,313	119,186	2,287,777
Total	7	<u>94,429</u>	<u>2,144,313</u>	<u>119,186</u>	<u>2,357,928</u>
Net income/(expenditure)		194,693	(563,595)	2,897,832	2,528,930
Transfers between funds	20	-	(74,839)	74,839	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	261,000	-	261,000
Net movement in funds		194,693	(377,434)	2,972,671	2,789,930
Reconciliation of funds					
Total funds brought forward		123,274	(371,722)	2,736,547	2,488,099
Total funds carried forward		<u>317,967</u>	<u>(749,156)</u>	<u>5,709,218</u>	<u>5,278,029</u>

JIGSAW LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	13		4,861		5,564
Tangible assets	14		5,638,286		5,697,916
			<u>5,643,147</u>		<u>5,703,480</u>
Current assets					
Stocks	15	6,919		8,404	
Debtors	16	298,468		67,396	
Cash at bank and in hand		725,029		641,330	
		<u>1,030,416</u>		<u>717,130</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(141,782)		(180,777)	
Net current assets			<u>888,634</u>		<u>536,353</u>
Total assets less current liabilities			<u>6,531,781</u>		<u>6,239,833</u>
Creditors: amounts falling due after more than one year	18		(25,044)		(7,804)
Net assets before defined benefit pension scheme liability			<u>6,506,737</u>		<u>6,232,029</u>
Defined benefit pension scheme liability	22		(1,592,000)		(954,000)
Total net assets			<u>4,914,737</u>		<u>5,278,029</u>
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			5,911,653		5,709,218
- Restricted income funds			244,756		204,844
- Pension reserve			(1,592,000)		(954,000)
Total restricted funds			<u>4,564,409</u>		<u>4,960,062</u>
Unrestricted income funds	20		<u>350,328</u>		<u>317,967</u>
Total funds			<u>4,914,737</u>		<u>5,278,029</u>

JIGSAW LEARNING TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

The accounts on pages 33 to 59 were approved by the trustees and authorised for issue on 04 December 2019 and are signed on their behalf by:



A S Kingston

Chair of Trustees

Company Number 08277622

JIGSAW LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	23	(381,180)		158,666	
Cash funds transferred on conversion		-		168,504	
		<u>(381,180)</u>		<u>327,170</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		403		292	
Capital grants from DfE Group		547,044		14,827	
Purchase of intangible fixed assets		(3,670)		-	
Purchase of tangible fixed assets		(96,138)		(83,927)	
		<u>447,639</u>		<u>(68,808)</u>	
Net cash provided by/(used in) investing activities			447,639		(68,808)
Cash flows from financing activities					
Repayment of other loan		17,240		(1,420)	
		<u>17,240</u>		<u>(1,420)</u>	
Net cash provided by/(used in) financing activities			17,240		(1,420)
Net increase in cash and cash equivalents in the reporting period			83,699		256,942
Cash and cash equivalents at beginning of the year			641,330		384,388
Cash and cash equivalents at end of the year			<u>725,029</u>		<u>641,330</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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 2018 to 2019 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 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 accounts 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 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

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 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:

Land & buildings	50 years
Leasehold improvements	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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 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.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.12 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Fund accounting

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

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £xxx,xxx as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £xx,xxx as at 31 August 2019.

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

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	547,044	547,044	14,827
Other donations	7,160	-	7,160	660
	<u>7,160</u>	<u>547,044</u>	<u>554,204</u>	<u>15,487</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,000,746	2,000,746	1,619,437
Other DfE group grants	-	289,161	289,161	261,812
	<u>-</u>	<u>2,289,907</u>	<u>2,289,907</u>	<u>1,881,249</u>
Other government grants				
Local authority grants	-	410,541	410,541	353,469
	<u>-</u>	<u>410,541</u>	<u>410,541</u>	<u>353,469</u>
Other funding				
Catering income	39,937	-	39,937	22,743
Other incoming resources	8,101	-	8,101	24,278
	<u>48,038</u>	<u>-</u>	<u>48,038</u>	<u>47,021</u>
Total funding	<u>48,038</u>	<u>2,700,448</u>	<u>2,748,486</u>	<u>2,281,739</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	5,625	-	5,625	3,819
Catering income	875	-	875	493
Educational visits	22,403	-	22,403	16,410
Uniforms	4,477	-	4,477	3,638
Other income	87,509	-	87,509	48,285
	<u>120,889</u>	<u>-</u>	<u>120,889</u>	<u>72,645</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Investment income	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	403	-	403	292

7 Expenditure	Staff costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	23,066	23,066	70,151
Academy's educational operations					
- Direct costs	1,749,621	-	106,409	1,856,030	1,430,955
- Allocated support costs	564,765	553,394	343,019	1,461,178	856,822
	<u>2,314,386</u>	<u>553,394</u>	<u>472,494</u>	<u>3,340,274</u>	<u>2,357,928</u>

Net income/(expenditure) for the year includes:	2019 £	2018 £
Fees payable to auditor for:		
- Audit	6,450	6,450
- Other services	4,000	4,000
Operating lease rentals	14,846	13,717
Depreciation of tangible fixed assets	155,768	115,917
Amortisation of intangible fixed assets	4,373	3,269
Net interest on defined benefit pension liability	24,000	20,000
	<u>207,433</u>	<u>163,763</u>

8 Central services

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

- human resources;
- financial services;
- school improvement and leadership

Fulwell Infant School has supported Ouston Primary School in these areas during the year, with no charge made between the two schools.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	81,126	1,774,904	1,856,030	1,430,955
Support costs				
Educational operations	39,937	1,421,241	1,461,178	856,822
	<u>121,063</u>	<u>3,196,145</u>	<u>3,317,208</u>	<u>2,287,777</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities (Continued)

	2019	2018
	£	£
Analysis of support costs		
Support staff costs	564,791	363,746
Depreciation and amortisation	160,141	119,186
Technology costs	14,078	10,287
Premises costs	393,253	139,271
Other support costs	225,525	156,019
Governance costs	103,390	68,313
	<u>1,461,178</u>	<u>856,822</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	1,624,523	1,287,153
Social security costs	140,713	107,002
Pension costs	466,372	302,101
	<u>2,231,608</u>	<u>1,696,256</u>
Agency staff costs	65,891	28,871
Staff restructuring costs	16,887	34,110
	<u>2,314,386</u>	<u>1,759,237</u>
Staff development and other staff costs	11,873	10,823
	<u>2,326,259</u>	<u>1,770,060</u>

Staff restructuring costs comprise:

Redundancy payments	<u>16,887</u>	<u>34,110</u>
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JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff (Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	47	47
Administration and support	36	35
Management	7	7
	<u>90</u>	<u>89</u>

Higher paid staff

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

	2019 Number	2018 Number
£80,001 - £90,000	<u>2</u>	<u>1</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 £251,938 (2018: £203,087).

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	£85,001 - £90,000 (2018: £80,001 - £85,000)
Employer's pension contributions	£10,001 - £15,000 (2018: £10,001 - £15,000)
L Lavelle (Headteacher and trustee):	
Remuneration	£65,001 - £70,000 (2018: £35,001 - £40,000)
Employer's pension contributions	£10,001 - £15,000 (2018: £5,001 - £10,000)

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

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

13 Intangible fixed assets

	Computer software
	£
Cost	
At 1 September 2018	9,500
Additions	3,670
	<hr/>
At 31 August 2019	13,170
	<hr/>
Amortisation	
At 1 September 2018	3,936
Charge for year	4,373
	<hr/>
At 31 August 2019	8,309
	<hr/>
Carrying amount	
At 31 August 2019	4,861
	<hr/> <hr/>
At 31 August 2018	5,564
	<hr/> <hr/>

14 Tangible fixed assets

	Land & buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	4,992,991	920,803	77,504	145,420	6,136,718
Additions	-	36,305	26,559	33,274	96,138
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	4,992,991	957,108	104,063	178,694	6,232,856
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 September 2018	281,452	28,625	66,135	62,590	438,802
Charge for the year	12,474	99,860	13,236	30,198	155,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	293,926	128,485	79,371	92,788	594,570
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2019	4,699,065	828,623	24,692	85,906	5,638,286
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2018	4,711,539	892,178	11,369	82,830	5,697,916
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Stocks	2019	2018
		£	£
	Materials	6,919	8,404
		<u> </u>	<u> </u>
16	Debtors	2019	2018
		£	£
	VAT recoverable	52,141	28,075
	Prepayments and accrued income	246,327	39,321
		<u> </u>	<u> </u>
		298,468	67,396
		<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year	2019	2018
		£	£
	Other loans	1,420	1,420
	Accruals and deferred income	140,362	179,357
		<u> </u>	<u> </u>
		141,782	180,777
		<u> </u>	<u> </u>
18	Creditors: amounts falling due after more than one year	2019	2018
		£	£
	Other loans	25,044	7,804
		<u> </u>	<u> </u>
	Analysis of loans		
	Wholly repayable within five years	26,464	9,224
	Less: included in current liabilities	(1,420)	(1,420)
		<u> </u>	<u> </u>
	Amounts included above	25,044	7,804
		<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	25,044	5,680
	Due in more than five years	-	2,124
		<u> </u>	<u> </u>
		26,464	9,224
		<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 2019

19 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	93,448	91,096
Deferred income at 1 September 2018	91,096	115,030
Released from previous years	(91,096)	(115,030)
Resources deferred in the year	93,448	91,096
Deferred income at 31 August 2019	93,448	91,096

Deferred income includes Universal Infant Free School Meals funding, breakfast club income and rates relief received in advance of the 2019/20 academic year.

20 Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	195,844	2,000,746	(2,136,302)	184,468	244,756
Other DfE / ESFA grants	9,000	289,161	(298,161)	-	-
Other government grants	-	410,541	(410,541)	-	-
Pension reserve	(954,000)	-	(191,000)	(447,000)	(1,592,000)
	(749,156)	2,700,448	(3,036,004)	(262,532)	(1,347,244)
Restricted fixed asset funds					
Inherited on conversion	5,181,666	-	(123,603)	-	5,058,063
DfE group capital grants	223,113	547,044	(26,672)	(240,812)	502,673
Capital expenditure from GAG	304,439	-	(9,866)	56,344	350,917
	5,709,218	547,044	(160,141)	(184,468)	5,911,653
Total restricted funds	4,960,062	3,247,492	(3,196,145)	(447,000)	4,564,409
Unrestricted funds					
General funds	317,967	176,490	(144,129)	-	350,328
Total funds	5,278,029	3,423,982	(3,340,274)	(447,000)	4,914,737

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019.

Other DfE/ESFA grants include PE grant, pupil premium and universal infant free school meals funding and other grants received from DfE/ESFA.

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 of £40,267 in addition to £5,738 brought forward. £43,462 of this was utilised on asset additions, with £2,542 carried forward. CIF capital grants of £506,778 were receivable in the year. £240,812 of this has been utilised on building repairs which have been expensed, and this is represented by a funds transfer. The balance of £265,966 has been carried forward and will be utilised in 2019/20.

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 £595,084 at 31 August 2019.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

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

	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)
	<u>(371,722)</u>	<u>1,580,718</u>	<u>(2,144,313)</u>	<u>186,161</u>	<u>(749,156)</u>
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
	<u>2,736,547</u>	<u>3,017,018</u>	<u>(119,186)</u>	<u>74,839</u>	<u>5,709,218</u>
Total restricted funds	<u>2,364,825</u>	<u>4,597,736</u>	<u>(2,263,499)</u>	<u>261,000</u>	<u>4,960,062</u>
Unrestricted funds					
General funds	123,274	266,379	(94,429)	-	295,224
	-	22,743	-	-	22,743
	<u>123,274</u>	<u>289,122</u>	<u>(94,429)</u>	<u>-</u>	<u>317,967</u>
Total funds	<u>2,488,099</u>	<u>4,886,858</u>	<u>(2,357,928)</u>	<u>261,000</u>	<u>5,278,029</u>

Total funds analysis by academy

	2019 £	2018 £
Fund balances at 31 August 2019 were allocated as follows:		
Fulwell Infant School Academy	410,149	380,600
Ouston Primary School	184,935	142,211
Total before fixed assets fund and pension reserve	<u>595,084</u>	<u>522,811</u>
Restricted fixed asset fund	5,911,653	5,709,218
Pension reserve	(1,592,000)	(954,000)
Total funds	<u>4,914,737</u>	<u>5,278,029</u>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019	Total 2018
	£	£	£	£	£	£
Fulwell Infant School Academy	1,005,540	236,914	52,084	284,615	1,579,153	1,469,892
Ouston Primary School	744,081	160,876	42,478	462,545	1,409,980	696,851
	<u>1,749,621</u>	<u>397,790</u>	<u>94,562</u>	<u>747,160</u>	<u>2,989,133</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 2019 are represented by:				
Intangible fixed assets	-	-	4,861	4,861
Tangible fixed assets	-	-	5,638,286	5,638,286
Current assets	351,442	410,468	268,506	1,030,416
Creditors falling due within one year	(1,114)	(140,668)	-	(141,782)
Creditors falling due after one year	-	(25,044)	-	(25,044)
Defined benefit pension liability	-	(1,592,000)	-	(1,592,000)
Total net assets	<u>350,328</u>	<u>(1,347,244)</u>	<u>5,911,653</u>	<u>4,914,737</u>

	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>

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

The academy trust's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Schemes (LGPS) for non-teaching staff, which is managed by South Tyneside and County Durham Councils. 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 2016, 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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £141,069 (2018: £114,685).

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% (Fulwell Infant School) and 21.7% (Ouston Primary School) for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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	2019	2018
	£	£
Employer's contributions	155,000	135,000
Employees' contributions	39,000	30,000
Total contributions	194,000	165,000

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019	2019	2018
	Fulwell %	Ouston %	%
Rate of increase in salaries	3.5	3.6	3.5
Rate of increase for pensions in payment/inflation	2.0	2.1	2.0
Discount rate for scheme liabilities	1.9	1.8	2.8
Inflation assumption (CPI)	2.0	2.1	2.0

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

	2019	2019	2018
	Years Fulwell	Years Ouston	Years
Retiring today			
- Males	21.9	22.3	22.9
- Females	25.1	23.8	26.4
Retiring in 20 years			
- Males	23.6	24.0	25.1
- Females	26.9	25.7	28.7

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

	2019	2018
	£	£
Discount rate + 0.1%	3,755,000	2,805,000
Discount rate - 0.1%	3,929,000	2,935,000
Mortality assumption + 1 year	3,713,000	2,787,000
Mortality assumption - 1 year	3,970,000	2,951,000
CPI rate + 0.1%	3,891,000	2,907,000
CPI rate - 0.1%	3,792,000	2,832,000

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

	2019	2018
	Fair value £	Fair value £
Equities	1,396,719	1,228,405
Government bonds	196,518	147,580
Cash	55,488	57,002
Corporate bonds	262,161	220,902
Property	192,879	157,029
Other assets	152,235	104,082
Total market value of assets	2,256,000	1,915,000

The actual return on scheme assets was £152,000 (2018: £160,000).

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	222,000	187,000
Past service cost	100,000	-
Interest income	(57,000)	(39,000)
Interest cost	81,000	59,000
Total operating charge	346,000	207,000

Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	2,876,000	1,794,000
Obligations acquired on conversion	-	948,000
Current service cost	222,000	187,000
Interest cost	81,000	59,000
Employee contributions	39,000	30,000
Actuarial loss/(gain)	542,000	(140,000)
Benefits paid	(12,000)	(9,000)
Past service cost	100,000	-
At 31 August 2019	3,848,000	2,869,000

Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	1,922,000	1,305,000
Assets acquired on conversion	-	294,000
Interest income	57,000	39,000
Actuarial gain	95,000	121,000
Employer contributions	155,000	135,000
Employee contributions	39,000	30,000
Benefits paid	(12,000)	(9,000)
At 31 August 2019	2,256,000	1,915,000

JIGSAW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	83,708	2,528,930
Adjusted for:		
Net surplus on conversion to academy	-	(2,516,695)
Capital grants from DfE and other capital income	(547,044)	(14,827)
Investment income receivable	(403)	(292)
Defined benefit pension costs less contributions payable	167,000	52,000
Defined benefit pension scheme finance cost	24,000	20,000
Depreciation of tangible fixed assets	155,768	115,917
Amortisation of intangible fixed assets	4,373	3,269
Decrease/(increase) in stocks	1,485	(1,073)
(Increase) in debtors	(231,072)	(20,494)
(Decrease) in creditors	(38,995)	(8,069)
Net cash (used in)/provided by operating activities	(381,180)	158,666

24 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	13,686	5,211
Amounts due in two and five years	15,380	8,906
	<u>29,066</u>	<u>14,117</u>

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 2019

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.

