

**Company Registration No. 11185205 (England and Wales)**

**THE NEW GUILD TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2018**

# THE NEW GUILD TRUST

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# THE NEW GUILD TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

C Whittaker  
S Kuzubasoglu  
D Webster  
H Frost  
S Brough

### Trustees

D Webster (Chair of Trustees) (Appointed 2 February 2018)  
S J Dutton (Appointed 2 February 2018)  
L Eagle (Appointed 2 February 2018)  
M D Fitzjohn (Appointed 2 February 2018)  
A J Hulland (Appointed 2 February 2018)  
P Humphreys (Appointed 2 February 2018)  
K Peters (Appointed 2 February 2018)  
M Robson (Appointed 2 February 2018)  
A Walmsley-White (Appointed 2 February 2018)  
C D Whittaker (Appointed 2 February 2018)

### Senior management team

- Accounting Officer/Chief Executive Officer/Executive Headteacher	Mrs K Peters
- Executive Headteacher	Mrs D Shaw
- Head of School	Mr R Muller
- Head of School	Mrs A Lupton
- Head of School	Mrs R Davies

### Company registration number

11185205 (England and Wales)

### Principal and registered office

Moorpark Junior School  
Park Road  
Burslem  
Stoke-on-Trent  
ST6 1EL

### Academies operated

Moorpark Junior School  
Jackfield Infant School  
Alexandra Junior School  
Alexandra Infants' School

### Location

Stoke-on-Trent  
Stoke-on-Trent  
Stoke-on-Trent  
Stoke-on-Trent

### Principal

Mrs K Peters  
Mrs K Peters  
Mrs D Shaw  
Mrs D Shaw

### Independent auditor

Hardings Chartered Accountants  
6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

# THE NEW GUILD TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Bankers**

Lloyds Bank Limited  
Fountain square  
Hanley  
Stoke-on-Trent  
Staffordshire  
ST1 1LE

# THE NEW GUILD TRUST

## TRUSTEES' REPORT

### *FOR THE PERIOD ENDED 31 AUGUST 2018*

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the Period 2 February 2018 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an 2 Infant and 2 Junior academies for pupils aged 3 to 11 years serving a catchment area in Stoke-on-Trent. It has a pupil capacity of 939 and had a roll of 880 in the school census in October 2017.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as The New Guild Trust which includes the following academies:

Moorpark Juniors School  
Jackfield Infant School  
Alexandra Junior School  
Alexandra Infants School

The trustees of The New Guild Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the Period, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

As part of the overall insurance cover taken out with third party insurers the trust has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £5,000,000 in this respect.

##### Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Articles of the Association require the members of the trust to appoint at least 3 Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

##### Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

A skills audit is performed to allocate the trustees to the committee to which their skills are best suited. The trustees then receive additional training on the responsibilities of being a part of the board of trustees of the academy trust.

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### Organisational structure

The board of trustees are responsible for the overall strategic direction of the academy trust. The trustees have a duty to act in the fulfilment of the academy trust objects. They set the strategic direction, and determine the policies and procedures of the academy trust whilst holding each academy within the academy trust to account. The trustees will meet at least three times a year and local governing body committees will report to meetings of the board of trustees throughout the year via the Executive board.

The Accounting Officer/CEO of the Trust works closely with the leadership teams in each academy. This group of people form the Executive board.

The board of trustees and each academy committee do not exercise a managerial role. The leadership and management across the academy trust is delegated by the board of trustees to the Senior Leadership Team within each academy that make up the Executive board. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by board of trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

The strategic responsibilities are distributed between the two committees:-

- Standards
- Resources and Audit

### Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy committee and their decision is validated by the board of trustees at the Autumn term meeting.

### Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, no transactions have taken place with related parties and other connected charities and organisations.

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### Objectives and activities

#### Objects and aims

The New Guild Trust believes in the sum of its parts to be greater than its equal through trust, collaboration and high expectations to ensure the best education and employment for all children and adults alike.

#### **We aim for our family of schools to :**

- **Be highly organised, communicate well, care for everyone, work well individually but equally well together.**
- **Provide a curriculum for the needs of every child that will be full of opportunities, nourishment and growth.**
  - **Employ people who work with our children and families as the golden thread throughout, providing care, warmth and inspiration to all; they are strong with love, proud with belonging and provide the best education as firm foundations for everyone's success.**
- **Work with business, external educational leaders and the wider society to ensure the success in our schools goes above and beyond into employment opportunities for the future and for the prosperity of local and national communities.**

#### Objectives, strategies and activities

The schools in the New Guild Trust formally converted to form the Multi Academy Trust in July 2018. The main objective of the Trust in its first few months has been to support the individual schools through the conversion process.

However, the schools have worked together within an informal partnership for at least the last three years and therefore have a thorough understanding and knowledge of the needs and strengths of the individual schools and the collective as the MAT.

The New Guild Trust has created a detailed development plan for 2018 - 2019 to improve standards and provision in each school and across the MAT as a whole. The annual development plan sets out the action and timescales and intended impact required developing practice in the four Ofsted areas.

#### Outcomes

Teaching, learning and assessment

Personal Development, behaviour and Welfare

Leadership and management

The plan was created by the senior leaders of each school within the Executive board and has been further developed through consultation with each local community governing body and trustee committees.

The priorities identified in the plan are informed from individual self-evaluations of performance, external and peer to peer reviews of teaching and learning alongside the analysis of assessment information in each school at the end of key stage and internally.

There are shared networks across the MAT that formulate their action plans from and to the main development plan. These cover the key areas of:

- English
- Maths
- Science
- Sport/ PE
- SEND
- Attendance and family support
- School business management

Each individual school incorporates the shared MAT priorities alongside school specific areas of improvement. In each school, middle and senior leaders create individual action plans for specific curriculum priorities. These cover other key areas of :

- Humanities and creative arts
- Computing
- Foundation stage
- Outdoor education / forest schools

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

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#### NEW GUILD TRUST DEVELOPMENTS FOR 2018 – 2019 (into the first year of academisation)

##### **Priority 1 : outcomes**

- Ensure achievement and attainment in our academies is consistently good and that pupils of all abilities across the Trust make at least expected progress from their starting points.
- Progress of most vulnerable pupils improved each year so that the gap reduces year on year to narrowest it has ever been.
- To be judged good or outstanding within 3 years of conversion and to remain or improve on that.
- To exceed floor targets each year in the key indicators set by the dfe for the end of each key stage.
- Pupils in the academy attend regularly and rates are at least equal to national
- Persistent absence reduces year on year, aiming to eradicate by 2020.
- Persistent absence of pupil premium children is below national.
- (taking into account contextual information.)

##### **Priority 2 : teaching, learning and assessment**

- Quality of teaching and learning in 100% classrooms is at least good
- Network of core leadership across the MAT is able to provide external school to school support
- Shared assessment tools are efficient and effective at all levels of access for recording and reporting.

##### **Priority 3 : leadership and management**

###### **Business management of the MAT is robust and effective**

- **Meet all legal requirements** : audit reports show compliance in:
- **Finance** –budget forecasts are accurate and sustainable, min breaches, meet target for at least 5% surplus budget each year.
- **health & safety** – safeguarding policy and practice is rigorous and highly organised with supporting documentation/ evidence of systems
- **GDPR** – compliance
- **Personnel**, HR and payroll systems are efficient – all staff are well supported with pastoral support and their pay is accurate and on time.
- **Admissions** – school places are oversubscribed in Nursery, Reception.

###### **Effective communication**

- All members of the MAT leadership and governance structure are fully informed of development and progress.

###### **Developing the workforce**

- Recruitment, training and development of our workforce of leaders, teachers, support staff and administrators will result in the delivery of an outstanding provision for all our pupils.
- Ethos of continued professional development and GROWTH mindset
- There is a feeling of good wellbeing across the workforce.

###### **Quality of governance (trustee & LCGB)**

- Leadership and Governance across the Trust is excellent and succession planning is effective in securing leaders of the highest quality across the Trust.
- MAT growth is clearly defined with policy and plans for new joining schools.

##### **Priority 4 : Personal Development, Behaviour and Welfare**

###### **Safeguarding remains of the highest standard**

- Fully compliant against statutory requirements for Safeguarding.
- High quality SEND offer in each school
- Best value demonstrated for Pupil premium funding.

###### **Growth mindset and wellbeing of staff and pupils**

- Staff and children show resilience, self-regulation and motivation in all aspects of school life.

##### Equal Opportunities

The trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.



# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

### **Strategic report**

#### **Achievements and performance**

Although this report is of one formal month as a multi-academy trust, the work prior to conversion during the informal stages of the New Guild Trust school collaboration shows the readiness of the collective to successfully embark on the planned developments for 2018 – 2019.

Summary of progress prior to conversion 2018:

#### **Teaching, learning and assessment.**

All schools have worked with external teaching and learning consultants to review and revise strategies to support the development in standards.

External teaching and learning reports of strong and sustained progress in all schools.

Jackfield Infant school have evidence to show outstanding progress and provision in EYFS.

There has been a significant focus on joint practice development for staff at various stages of career and development needs to improve the quality of teaching and learning in the core subjects.

All schools have completed the first year of maths mastery with the regional maths hub. The quality of maths reasoning, problem solving, basic skills and calculation have all improved. There is a clear and effective progression of skills from Early years to the end of keys stage 2.

One term of work has been completed in Alexandra infants and Juniors within a SIFF project focused on developing English leadership with early signs of positive impact.

All schools in the Trust are members of the Ogden Trust Stoke Partnership for science and Moorpark are leading this collaborative for schools in the wider community. Schools in the trust are recognised as models of good practice for science. Jackfield have been invited to present a teacher action research project at the national ASE conference. Moorpark is leading on a secondary transition pilot and primary science city proposal for the work within the DfE Opportunities Area.

#### **Behaviour, safety & Wellbeing**

The schools completed peer to peer reviews in SEND alongside an external consultant, a practising OFSTED inspector with a specialism in SEND who reported that the schools in the trust provide quality provision for children and families with SEND and recognised the strength of the SENCOs in the trust working together as excellent practice.

All schools are attachment and trauma aware with regular training and deployment of skills to provide a high standard of provision for children with emotional, social and mental health needs. There have been no permanent exclusions and fixed term exclusions are rare and well below national averages.

Safeguarding continues to be robust. Peer to peer reviews support the annual safeguarding evaluation and report to the local authority safeguarding board. All schools in the trust provide a high level of family support and early intervention.

External and peer to peer reviews of teaching and learning in the core subjects consistently report that pupil engagement in learning is strong in all schools.

#### **Leadership & Management**

Business management at both a trust and individual school level has been supported by external accountancy and system providers.

Business management has had rapid, yet strong development of the schools' leaders in all areas and standards of academy financial requirement. Systems are robust confirmed by the Autumn 2018 first external audit.

Retention of newly qualified staff over the last three years is 80% staying in permanent employment within the trust.

Three senior leaders have successfully completed the NPQH.

Two school business managers have completed the Diploma in School Business management. One has further completed academy accountancy and book keeping.

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### Key performance indicators

New Guild Trust  
End of Key Stage Attainment 2018

#### Foundation stage, Phonics and Key Stage 1 Results

subject	Jackfield Infant	Alexandra Infants	Moorpark Juniors	Alexandra Juniors	National
FS - GLD	61.7%	61.7%	x	x	71.5%
Y1 Phonics	78.3%	75%	x	x	82.5%
Ks1 Reading	74.6%	60.3%	x	x	75.5%
Ks1 Writing	67.8%	53.4%	x	x	69.9%
Ks1 Maths	78%	65.5%	x	x	76.1%
Ks1 RWM C	64.4%	46.6%	x	x	65.4%

#### Summary

##### Alexandra Infants School :

GLD (Good level of Development) is below National, however non-mobile pupils achieved 75%. In reading 73%, writing 65%, maths 79%. There were 10 pupils new to English Since Jan 2018. This is a key contextual factor in understanding end of year KS1 results.

##### Jackfield Infant School:

GLD data for pupils who attended the school's Nursery = 65.4% (12 new 11/12 children who did not pass are on the SEND register (1 new to Jackfield during Summer term) Pupils who made accelerated progress (from Emerging at end of EYFS to EXS at end of KS1) =Reading 12%, Writing 18%, Maths 10% GLD for this cohort was 59.7%, therefore, 4.7% increase. End of KS1 outcomes are broadly equal to National for Reading and Writing and above in Maths.

#### KS2 Results

	Jackfield Infant	Alexandra Infants	Moorpark Juniors	Alexandra Juniors	National
KS2 Reading	x	x	67%	48%	75%
KS2 Writing	x	x	77%	60%	78%
KS2 Maths	x	x	67%	58%	76%
KS2 RWM	x	x	54%	46%	64%

#### SUMMARY

Alexandra Junior School : Although attainment is below National Floor Standards (65%) the results are improving year on year since 2016 when combined RWM was 12%. Contextual factors should be considered against end of key stage attainment. 77% EAL of which 20% are Eastern European, were starting as new to English, 22% SEND and 1/3 of all pupils joined the cohort after September of their Y3 year – 5 of these pupils joined as late as Y6. Progress is average in maths and reading and above average in writing.

Moorpark Junior School : Attainment is above floor targets in separate subjects. (within 10% below national). Faster than national rate of improvement at GDS (greater depth) in all subjects. Higher than national average for SEN pupils 25%. 2 EHCP pupils working below age of assessments.

Progress is below in maths, average in reading and above in writing.

Overall : Both junior schools are above floor target performance indicators. (schools need to be above floor at the end of key stage 2 in at least attainment or progress.)

#### Ofsted

	Jackfield Infant	Alexandra Infants	Moorpark Juniors	Alexandra Juniors
Ofsted grading	GOOD	RI	GOOD	RI

#### Attendance 2017 - 2018

	Jackfield Infant	Alexandra Infants	Moorpark Juniors	Alexandra Juniors	National
whole school	93%	93%	95%	95%	97%
number of persistent absentees	32	23	28	31	

Attendance rates have improved at faster rates than national in Alexandra Infant and Junior schools with an improving three year trend.

All schools target to be at least equal to national.

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

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#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Income for the period was £6,351,841 of which £765,053 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. £5,450,536 of the total income related to Assets transferred on conversion. The remaining £136,252 was as a result of donations, other government grants and other trading activities including funds generated by extended school activities.

Expenditure for the period was £799,599 with the largest element of this expenditure being attributed to staff costs totalling £583,295 for the period. The depreciation and amortisation charge on tangible and intangible assets of £21,452 has been included. Net income for the period was £5,552,242.

The academy trust element of the Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2018 showing a net deficit of £1,523,000.

As at 31 August 2018, the net book value of tangible fixed assets was £6,825,351 and the movements are shown in note 13 of the accounts. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the accounts direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

#### Reserves policy

Where affordable, the Academy will aim to maintain a revenue reserve fund of 5% of annual turnover to provide flexibility and certainty in forward planning.

Where affordable, the Academy will aim to maintain a capital reserve fund of 10% of annual turnover to fund capital projects.

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance.

As at 31 August 2018 the academy trust has reserves of £240,511 with unrestricted funds of £142,790 and restricted funds of £97,721.

#### Investment policy

Reserve Funds will be held with Lloyds Bank or in other instruments and investments as agreed from time to time by the Board of Trustees.

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### Principal risks and uncertainties

The Trustees are responsible for the management of the risks faced by all the Trusts academies. Risks for each academy are identified and assessed in each individual academy. Each Academy holds a risk register which analysis's risk over a number of categories. The Trust has a main risk register for the MAT. This is reviewed by the leadership team and Audit committee annually. The trustees can then review strategies and ensure that the risk is reduced to low impact and incidence levels.

The categories covered are:-

- Strategic
- Organisational
- Financial Risks
- Compliance
- Operational
- Safeguarding

The system of internal control is designed to manage risk to a reasonable level rather than eliminate it.

The key uncertainties which the trust face include:-

- The risk of government policy funding changes upon which the academy has considerable reliance.
- Potential fall in nursery/junior numbers due to local competition and aggressive marketing practices.
- The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS102.
- Staffing issues such as loss of Senior Management, epidemic sickness or long term sickness rendering the academy unable to function effectively and efficiently.
- Financial commitments made without adequate authorisation.

### Financial and risk management objectives and policies

Risk is managed at The New Guild Trust through sound financial practice as stipulated in the Trusts Accounting and Finance Policy. The Trust is committed to strengthening the efficiency of the finance functions across the Trust and retaining expertise within. Financial software and database systems have been installed across the Trust to allow collaborative working. The Trusts financial policy and procedures are adopted in each academy to improve internal auditing and advice is sought from the Trust's external auditors to ensure best practice. The Accounting Officer and SBM's ensure they meet regularly to standardise processes and maximise economies of scale through combined procurement.

### **Fundraising**

Within the provisions of the Charities (Protection and Social Investment) Act 2016, section 13, the Trust supports fundraising for the individual schools and for external charities. The Trust complies with the Accounting and reporting by charities; statement of recommended practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK (FRS 102), charities SORP.

### **Plans for future periods**

Achieving high standards of education is a constant aim for every school in the Trust to be at least good. Longer term, we envisage the work of the trust will involve supporting more schools in their development and improvement. The Trust will develop capacity and will aim to grow in the future.

Future plans are financed from income direct for the DFE, related to pupil numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for current pupils.

# THE NEW GUILD TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on *19/12/18*..... and signed on its behalf by:



.....  
D Webster

**Chair of Trustees**

# THE NEW GUILD TRUST

## GOVERNANCE STATEMENT

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The New Guild 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 principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The New Guild 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 1 time during the Period. Attendance during the Period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
D Webster (Chair of Trustees) (Appointed 2 February 2018)	1	1
S J Dutton (Appointed 2 February 2018)	0	1
L Eagle (Appointed 2 February 2018)	1	1
M D Fitzjohn (Appointed 2 February 2018)	0	1
A J Hulland (Appointed 2 February 2018)	0	1
P Humphreys (Appointed 2 February 2018)	1	1
K Peters (Appointed 2 February 2018)	1	1
M Robson (Appointed 2 February 2018)	1	1
A Walmsley-White (Appointed 2 February 2018)	0	1
C D Whittaker (Appointed 2 February 2018)	1	1

### Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Ensuring budgets are balanced and sustainable over the medium term
- Works closely with the Academy Business managers to secure Trust wide procurement economies of scale.
- Strives to promote opportunities for professional development by sharing good practise across the Trust.

# THE NEW GUILD TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### **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. The system of internal control has been in place in The New Guild Trust for the period 2 February 2018 to 31 August 2018 and up to the date of approval of the annual report and accounts.

### **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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 2 February 2018 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **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 resources and audit 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.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Hardings, the external auditor, to perform additional checks through the first 12 months of academisation

On a termly basis, the auditor reports to the board of trustees through the resources and audit committee/audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

### **Review of effectiveness**

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

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- Regular meetings between the Accounting Officer and Executive Board to review financial performance against the budget forecasts over the medium term.
- The work of the Accounting Officer and Executive Board have responsibility for the development, maintenance and review of the internal control framework. The group is advised by the Trusts external auditors.

**THE NEW GUILD TRUST**

**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2018**

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Approved by order of the board of trustees on *19/12/18*..... and signed on its behalf by:



**K Peters**  
**Accounting Officer**



**D Webster**  
**Chair of Trustees**



# THE NEW GUILD TRUST

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

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

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

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

K Peters  
Accounting Officer



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# THE NEW GUILD TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

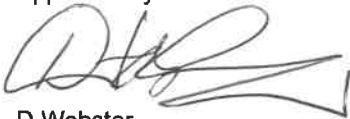
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 19/2/18 ..... and signed on its behalf by:



D Webster  
Chair of Trustees

# THE NEW GUILD TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW GUILD TRUST FOR THE PERIOD ENDED 31 AUGUST 2018

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### Opinion

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

In our opinion the accounts:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

# THE NEW GUILD TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW GUILD TRUST (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### **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 Period 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.

# THE NEW GUILD TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW GUILD TRUST (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### 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.



**Timothy McNeal FCA (Senior Statutory Auditor)**  
**for and on behalf of Hardings**  
**Chartered Accountants**  
**Statutory Auditor**

19.12.2018  
.....

6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

# THE NEW GUILD TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NEW GUILD TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 6 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The New Guild Trust during the period 2 February 2018 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The New Guild Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The New Guild Trust's funding agreement with the Secretary of State for Education dated 27 June 2018 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 2 February 2018 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# THE NEW GUILD TRUST

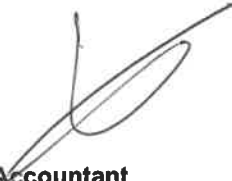
## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE NEW GUILD TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2018**

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 2 February 2018 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



### **Reporting Accountant**

Hardings Chartered Accountants  
6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

Dated: 19.12.2018

# THE NEW GUILD TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	6,967	5,418	-	12,385
Donations - transfer from local authority on conversion	25	110,746	(1,494,350)	6,834,140	5,450,536
Charitable activities:					
- Funding for educational operations	4	2,813	837,336	-	840,149
Other trading activities	5	47,126	1,645	-	48,771
<b>Total</b>		<u>167,652</u>	<u>(649,951)</u>	<u>6,834,140</u>	<u>6,351,841</u>
<b>Expenditure on:</b>					
Raising funds	6	-	1,043	-	1,043
Charitable activities:					
- Educational operations	8	24,862	752,242	21,452	798,556
<b>Total</b>	<b>6</b>	<u>24,862</u>	<u>753,285</u>	<u>21,452</u>	<u>799,599</u>
<b>Net income/(expenditure)</b>		142,790	(1,403,236)	6,812,688	5,552,242
Transfers between funds	17	-	(22,043)	22,043	-
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>142,790</u>	<u>(1,425,279)</u>	<u>6,834,731</u>	<u>5,552,242</u>



# THE NEW GUILD TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018	
		£	£
<b>Fixed assets</b>			
Intangible assets	12		9,380
Tangible assets	13		6,825,351
			<u>6,834,731</u>
<b>Current assets</b>			
Debtors			
Cash at bank and in hand	14	276,418	
		202,754	
		<u>479,172</u>	
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(238,661)	
		<u>240,511</u>	
<b>Net current assets</b>			240,511
<b>Net assets excluding pension liability</b>			<u>7,075,242</u>
Defined benefit pension scheme liability	19	(1,523,000)	
		<u>5,552,242</u>	
<b>Net assets</b>			<u>5,552,242</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
- Fixed asset funds	17		6,834,731
- Restricted income funds			97,721
- Pension reserve			(1,523,000)
			<u>5,409,452</u>
<b>Total restricted funds</b>			5,409,452
<b>Unrestricted income funds</b>	17		142,790
			<u>5,552,242</u>
<b>Total funds</b>			<u>5,552,242</u>

The accounts on pages 22 to 44 were approved by the trustees and authorised for issue on 19/12/18 and are signed on their behalf by:



D Webster  
Chair of Trustees

Company Number 11185205

# THE NEW GUILD TRUST

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2018

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	Notes	2018 £	£
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20		128,486
Cash funds transferred on conversion			96,311
			<hr/>
			224,797
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(9,932)	
Purchase of tangible fixed assets		(12,111)	
		<hr/>	
<b>Net cash used in investing activities</b>			(22,043)
			<hr/>
<b>Net increase in cash and cash equivalents in the reporting period</b>			202,754
Cash and cash equivalents at beginning of the year			-
			<hr/>
<b>Cash and cash equivalents at end of the year</b>			202,754
			<hr/> <hr/>

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 AUGUST 2018

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

The New Guild Trust meets the definition of a public benefit entity under FRS 102.

These accounts have been prepared for the period 2 February 2018 to 31 August 2018 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

##### 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.3 Conversion to an academy trust

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

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

##### Land and Buildings

On the transfer date of 1st July 2018, the trust was gifted land and buildings by Stoke-On-Trent City Council. These assets have been credited as a donation in the restricted fixed asset funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

##### Other Fixed Assets

Other fixed assets comprising computer equipment and fixtures, fittings and equipment were transferred to the academy on 1st July 2018. These assets have been credited as a donation in the restricted fixed asset funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

##### Local Government Pension Scheme (LGPS) Deficit

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained schools were transferred to The New Guild Trust on 1st July 2018. The deficit on the LGPS has been debited as a donation in the restricted funds column of the Statement of Financial Activities and included in the LGPS liability on the balance sheet.

##### Cash

Cash balances at 1st July 2018 in respect of the maintained school and school funds were transferred to The New Guild Trust. These cash balances have been credited as a donation in the Statement of Financial Activities under the unrestricted funds columns and included within the cash at bank balance on the balance sheet.

Further details of the transaction are set out in note 25.

#### 1.4 Income

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

##### Grants

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

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.

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

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

##### Sponsorship income

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

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

##### Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

#### 1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

#### 1 Accounting policies

(Continued)

##### Expenditure on raising funds

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

##### Charitable activities

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

#### 1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software      3 years

#### 1.7 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 leasehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land and Buildings	Over the expected useful economic life
Computer equipment	3 - 5 years
Fixtures, fittings & equipment	5 years

Included within leasehold land and building is leasehold land which is not depreciated.

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.

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.8 Liabilities

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

#### 1.9 Leased assets

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

#### 1.10 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

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

#### 1.11 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

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.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency and local authorities.

#### 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 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

There have been no areas of critical judgement made during the period of account that will have a significant effect on the amounts recognised in the financial statements.



# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £
Other donations	6,967	5,418	12,385

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>DfE / ESFA grants</b>			
General annual grant (GAG)	-	597,882	597,882
Start up grants	-	100,000	100,000
Other DfE group grants	-	67,171	67,171
	-	765,053	765,053
<b>Other government grants</b>			
Local authority grants	-	62,283	62,283
Special educational projects	-	10,000	10,000
	-	72,283	72,283
<b>Other funding</b>			
Other incoming resources	2,813	-	2,813
<b>Total funding</b>	<b>2,813</b>	<b>837,336</b>	<b>840,149</b>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £
Catering income	87	-	87
Parental contributions	36,770	1,645	38,415
Other income	10,269	-	10,269
	47,126	1,645	48,771

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 6 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £
Expenditure on raising funds				
- Direct costs	-	-	1,043	1,043
Academy's educational operations				
- Direct costs	406,787	-	17,657	424,444
- Allocated support costs	176,508	41,521	156,083	374,112
	<u>583,295</u>	<u>41,521</u>	<u>174,783</u>	<u>799,599</u>

Net income/(expenditure) for the period includes:

	2018 £
Fees payable to auditor for audit services	4,000
Operating lease rentals	5,259
Depreciation of tangible fixed assets	20,900
Amortisation of intangible fixed assets	552
Net interest on defined benefit pension liability	7,000

### 7 Central services

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

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Direct costs</b>			
Educational operations	4,934	419,510	424,444
<b>Support costs</b>			
Educational operations	19,928	354,184	374,112
	<u>24,862</u>	<u>773,694</u>	<u>798,556</u>

	2018 £
<b>Analysis of support costs</b>	
Support staff costs	176,508
Depreciation and amortisation	21,452
Technology costs	1,203
Premises costs	20,069
Other support costs	34,729
Governance costs	120,151
	<u>374,112</u>

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

#### 9 Staff

##### Staff costs

Staff costs during the Period were:

	<b>2018</b>
	<b>£</b>
Wages and salaries	428,871
Social security costs	40,380
Pension costs	109,173
	<hr/>
Staff costs	578,424
Agency staff costs	3,596
Staff development and other staff costs	1,275
	<hr/>
Total staff expenditure	583,295
	<hr/> <hr/>

##### Staff numbers

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

	<b>2018</b>
	<b>Number</b>
Teachers	35
Administration and support	94
Management	12
	<hr/>
	141
	<hr/> <hr/>

##### Higher paid staff

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

	<b>2018</b>
	<b>Number</b>
£60,000 - £70,000	3
£70,001 - £80,000	5
£80,001 - £90,000	1
	<hr/> <hr/>

##### 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) received by key management personnel for their services to the academy trust was £73,448.

# THE NEW GUILD TRUST

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

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### 10 Trustees' remuneration and expenses

One or more of the 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.

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

Mrs Karen Peters:

- Remuneration £75,000 - £80,000
- Employers Pension Contribution £5,000 - £10,000

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of insurance.

### 12 Intangible fixed assets

	<b>Computer software £</b>
<b>Cost</b>	
Additions	9,932
	<hr/>
At 31 August 2018	9,932
	<hr/>
<b>Amortisation</b>	
Charge for Period	552
	<hr/>
At 31 August 2018	552
	<hr/>
<b>Carrying amount</b>	
At 31 August 2018	9,380
	<hr/> <hr/>

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

#### 13 Tangible fixed assets

	Leasehold Land and Buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 2 February 2018	-	-	-	-
Transfer on conversion	6,792,800	15,989	25,351	6,834,140
Additions	-	12,111	-	12,111
At 31 August 2018	6,792,800	28,100	25,351	6,846,251
<b>Depreciation</b>				
At 2 February 2018	-	-	-	-
Charge for the Period	18,893	1,162	845	20,900
At 31 August 2018	18,893	1,162	845	20,900
<b>Net book value</b>				
At 31 August 2018	6,773,907	26,938	24,506	6,825,351

Leasehold land buildings has been included at the value Stoke-on-Trent City Council has valued this at on conversion to an academy trust.

#### 14 Debtors

	2018 £
Trade debtors	600
VAT recoverable	4,672
Other debtors	12,159
Prepayments and accrued income	258,987
	276,418

#### 15 Creditors: amounts falling due within one year

	2018 £
Trade creditors	16,161
Other taxation and social security	60,003
Other creditors	62,270
Accruals and deferred income	100,227
	238,661

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

<b>16</b>	<b>Deferred income</b>	<b>2018</b>
		<b>£</b>
	Deferred income is included within:	
	Creditors due within one year	192
		<u>192</u>
	Resources deferred in the Period	192
		<u>192</u>
	<b>Deferred income at 31 August 2018</b>	<b>192</b>
		<u>192</u>

At the balance sheet date the academy trust was holding funds received in advance for educational trips booked for the autumn term 2018.

<b>17</b>	<b>Funds</b>				
		<b>Income</b>	<b>Expenditure</b>	<b>Gains, losses and transfers</b>	<b>Balance at 31 August 2018</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Restricted general funds</b>				
	General Annual Grant (GAG)	597,882	(525,953)	(22,043)	49,886
	Start up grants	100,000	(100,000)	-	-
	Other DfE / ESFA grants	67,821	(51,574)	-	16,247
	Other government grants	72,283	(47,758)	-	24,525
	Other restricted funds	7,063	-	-	7,063
	Pension reserve	(1,495,000)	(28,000)	-	(1,523,000)
		<u>(649,951)</u>	<u>(753,285)</u>	<u>(22,043)</u>	<u>(1,425,279)</u>
	<b>Restricted fixed asset funds</b>				
	Transfer on conversion	6,834,140	(20,866)	-	6,813,274
	Capital expenditure from GAG	-	(586)	22,043	21,457
		<u>6,834,140</u>	<u>(21,452)</u>	<u>22,043</u>	<u>6,834,731</u>
	<b>Total restricted funds</b>	<u>6,184,189</u>	<u>(774,737)</u>	<u>-</u>	<u>5,409,452</u>
	<b>Unrestricted funds</b>				
	General funds	167,652	(24,862)	-	142,790
	<b>Total funds</b>	<u>6,351,841</u>	<u>(799,599)</u>	<u>-</u>	<u>5,552,242</u>

# THE NEW GUILD TRUST

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

### 17 Funds

(Continued)

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

#### Restricted general Funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from the Education and Skills Funding Agency and local authorities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

#### Unrestricted Funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

#### Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

#### Total funds analysis by academy

	2018
	£
Fund balances at 31 August 2018 were allocated as follows:	
Moorpark Junior School	82,604
Jackfield Infant School	14,644
Alexandra Junior School	77,653
Alexandra Infants' School	65,610
	<hr/>
Total before fixed assets fund and pension reserve	240,511
Restricted fixed asset fund	6,834,731
Pension reserve	(1,523,000)
	<hr/>
Total funds	5,552,242
	<hr/> <hr/>

#### 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
	£	£	£	£	£
Moorpark Junior School	129,518	48,437	6,842	44,874	229,671
Jackfield Infant School	106,975	54,068	3,460	48,286	212,789
Alexandra Junior School	76,187	37,277	7,355	42,277	163,096
Alexandra Infants' School	94,107	36,725	-	41,758	172,590
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	406,787	176,507	17,657	177,195	778,146
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General    Fixed asset £            £		Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Intangible fixed assets	-	-	9,380	9,380
Tangible fixed assets	-	-	6,825,351	6,825,351
Current assets	142,790	336,382	-	479,172
Creditors falling due within one year	-	(238,661)	-	(238,661)
Defined benefit pension liability	-	(1,523,000)	-	(1,523,000)
<b>Total net assets</b>	<b>142,790</b>	<b>(1,425,279)</b>	<b>6,834,731</b>	<b>5,552,242</b>

### 19 Pension and similar obligations

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

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

Contributions amounting to £60,692 were payable to the schemes at 31 August 2018 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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



# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

#### 19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £12,005.

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 20.1% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

<b>Total contributions made</b>	<b>2018</b>
	<b>£</b>
Employer's contributions	47,000
Employees' contributions	12,000
	<hr/>
Total contributions	59,000
	<hr/> <hr/>

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

#### 19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2018 %
Rate of increase in salaries	2.7
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	2.8
Inflation assumption (CPI)	2.3

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

	2018 Years
Retiring today	
- Males	22.1
- Females	24.4
Retiring in 20 years	
- Males	24.1
- Females	26.4

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

	2018
Discount rate + 0.1%	(100,600)
Discount rate - 0.1%	100,600
Mortality assumption + 1 year	100,000
Mortality assumption - 1 year	(100,000)
CPI rate + 0.1%	74,600
CPI rate - 0.1%	(74,600)

The academy trust's share of the assets in the scheme	2018 Fair value £
Equities	1,263,500
Bonds	342,950
Cash	54,150
Property	144,400
Total market value of assets	1,805,000

The actual return on scheme assets was £54,000.

# THE NEW GUILD TRUST

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

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<b>19 Pension and similar obligations</b>	<b>(Continued)</b>
<b>Amount recognised in the Statement of Financial Activities</b>	<b>2018</b>
	<b>£</b>
Current service cost	68,000
Interest income	(8,000)
Interest cost	15,000
	<hr/>
Total operating charge	75,000
	<hr/>
<b>Changes in the present value of defined benefit obligations</b>	<b>2018</b>
	<b>£</b>
Obligations acquired on conversion	3,187,000
Current service cost	68,000
Interest cost	15,000
Employee contributions	12,000
Actuarial loss	46,000
	<hr/>
At 31 August 2018	3,328,000
	<hr/>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2018</b>
	<b>£</b>
Assets acquired on conversion	1,692,000
Interest income	8,000
Actuarial gain	46,000
Employer contributions	47,000
Employee contributions	12,000
	<hr/>
At 31 August 2018	1,805,000
	<hr/>

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# THE NEW GUILD TRUST

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

### 20 Reconciliation of net income to net cashflows from operating activities

	£
Net income for the reporting period (as per the Statement of Financial Activities)	5,552,242
Adjusted for:	
Net surplus on conversion to academy	(5,450,536)
Defined benefit pension costs less contributions payable	21,000
Defined benefit pension net finance cost	7,000
Depreciation of tangible fixed assets	20,900
Amortisation of intangible fixed assets	552
(Increase) in debtors	(276,418)
Increase in creditors	238,661
Stocks, debtors and creditors transferred on conversion	15,085
<b>Net cash provided by operating activities</b>	<b>128,486</b>

### 21 Major non-cash transactions

During the period, net assets totalling £5,354,225 were transferred to the academy trust from the local authority as detailed in note 25.

### 22 Commitments under operating leases

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

	2018 £
Amounts due within one year	36,050
Amounts due in two and five years	38,677
	<u>74,727</u>

### 23 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

### 24 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.

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2018

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#### 25 Conversion to an academy

On 1 July 2018 Moorpark Junior School, Jackfield Infant School, Alexandra Junior School, and Alexandra Infants' School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The New Guild Trust from the Stoke-on-Trent Unitary Authority for £nil consideration.

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

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

<b>Academy</b>	<b>Location</b>	<b>Date of conversion</b>	
Moorpark Junior School	Stoke-on-Trent	1 July 2018	
Jackfield Infant School	Stoke-on-Trent	1 July 2018	
Alexandra Junior School	Stoke-on-Trent	1 July 2018	
Alexandra Infants' School	Stoke-on-Trent	1 July 2018	

<b>Net assets transferred:</b>	<b>2018</b>
	<b>£</b>
Leasehold land and buildings	6,792,800
Other tangible fixed assets	41,340
Cash	96,311
LGPS pension surplus/(deficit)	(1,495,000)
Other debtors	15,085
	<u>5,450,536</u>

# THE NEW GUILD TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

### 25 Conversion to an academy

(Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£	£	£	£
<u>Moorpark Junior School</u>				
Fixed assets funds	-	-	1,348,219	1,348,219
LA budget funds	36,008	-	-	36,008
LGPS pension funds	-	(412,000)	-	(412,000)
Other funds	-	650	-	650
	<u>36,008</u>	<u>(411,350)</u>	<u>1,348,219</u>	<u>972,877</u>
<u>Jackfield Infant School</u>				
Fixed assets funds	-	-	1,558,900	1,558,900
LA budget funds	(12,076)	-	-	(12,076)
LGPS pension funds	-	(460,000)	-	(460,000)
Other funds	15,085	-	-	15,085
	<u>3,009</u>	<u>(460,000)</u>	<u>1,558,900</u>	<u>1,101,909</u>
<u>Alexandra Junior School</u>				
Fixed assets funds	-	-	2,219,721	2,219,721
LA budget funds	21,533	-	-	21,533
LGPS pension funds	-	(311,000)	-	(311,000)
Other funds	-	-	-	-
	<u>21,533</u>	<u>(311,000)</u>	<u>2,219,721</u>	<u>1,930,254</u>
<u>Alexandra Infants' School</u>				
Fixed assets funds	-	-	1,707,300	1,707,300
LA budget funds	50,196	-	-	50,196
LGPS pension funds	-	(312,000)	-	(312,000)
Other funds	-	-	-	-
	<u>50,196</u>	<u>(312,000)</u>	<u>1,707,300</u>	<u>1,445,496</u>
<u>Consolidated</u>				
Fixed assets funds	-	-	6,834,140	6,834,140
LA budget funds	95,661	-	-	95,661
LGPS pension funds	-	(1,495,000)	-	(1,495,000)
Other funds	15,085	650	-	15,735
	<u>110,746</u>	<u>(1,494,350)</u>	<u>6,834,140</u>	<u>5,450,536</u>

