

Company Registration Number: 08316719 (England & Wales)

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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MARK RUTHERFORD SCHOOL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Marsh (resigned 10 October 2022) S C Lousada J Campbell (resigned 21 November 2022) N Stout J Warehand
Governors	J Marsh (resigned 10 October 2022) ¹ W Browning, Responsible Officer (resigned 17 October 2022) ¹ A MacLennan, Staff Governor (resigned 7 February 2022) J Campbell, Chair (resigned 21 November 2022) I Simpson (resigned 21 September 2022) ¹ D Koch (resigned 18 July 2022) ¹ S Field K Grant (resigned 9 May 2022) P Page N Stout R F Barker, Staff Governor (resigned 11 February 2022) J Warehand A Hare (resigned 8 November 2022) ¹ N Foster ¹ S Harker, Chair (from 22 November 2022) K Foster, Head Teacher ¹ J Whitfield (appointed 9 May 2022) R Hubbard (appointed 9 May 2022) E Palmer (appointed 31 October 2022) S Harnan (appointed 31 October 2022) T Di Piano (appointed 31 October 2022) ¹ members of the Finance, Premises & Health and Safety and Audit committee
Company registered number	08316719
Company name	Mark Rutherford School Trust
Principal and registered office	Wentworth Drive Bedford Bedfordshire MK41 8PX
Company secretary	M Bye-Gannon

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

**Senior management
team**

K Foster, Head Teacher
R Barker, Assistant Head Teacher (until 1 April 2022)
J Samosa, Assistant Head Teacher (until 31 August 2022)
J Harrison, Assistant Head Teacher (until 29 April 2022)
M Briggs, Assistant Head Teacher
J Strong, Assistant Head Teacher
A Vallance, Assistant Head Teacher
S Iddrisu, Assistant Head Teacher (until 1 April 2022)
R Garner, Business Manager (resigned 31 August 2022)
R Spencer, Deputy Head Teacher (from 19 April 2022)
F Brown, Assistant Head Teacher
R Oliva-Pugh, Deputy Head Teacher (from 19 April 2022)

Independent auditor

Streets Audit LLP
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Bankers

NatWest Bank PLC
81 High Street
Bedford
Bedfordshire
MK40 1YN

MARK RUTHERFORD SCHOOL TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in north Bedford. It has a pupil capacity of 1,243 and had a roll of 1,309 in the school census on the Autumn Census.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of Mark Rutherford School Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Mark Rutherford School Trust.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

d. Method of recruitment and appointment or election of Governors

Mark Rutherford School appoints Governors in accordance with clauses 50 to 64 of its Articles of Association. Parent Governor vacancies are filled through advertisement and election whilst Staff Governor vacancies are advertised internally and appointments are made on the basis of a staff vote. In the event of more than one applicant applying for the vacancy of Staff Governor and is subject to a vote where both candidates receive equal support, a process will be determined by the Governing Body to fill the vacancy. Other Governor appointments are addressed through personal recommendation and consideration by the whole governing body followed up, where appropriate, with an interview by chairs of the other committees.

A Governor's term of office is four years, but this time limit will not apply to the Headteacher, however any Governor may be re-appointed or re-elected. The Chair and Vice Chair are re-elected annually.

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

Structure, governance and management (continued)

During the year under review the Governors held six Full Governing Body meetings, and five meetings each of the following sub-committees:

- Finance, Property and Health and Safety
- Curriculum and Standards
- Personnel, Pay and Performance

e. Policies adopted for the induction and training of Governors

All new governors are given a tour of the Academy and the chance to meet staff and pupils. All governors are provided with a pack containing copies of the policies, procedures, minutes, accounts, budget plan and other documents they need to undertake their role as a governor. The induction of a governor is tailored to the specific individual; in addition all new governors are required to attend a governors training course run by the Local Authority or by another training provider to which the Academy subscribes.

Governors are informed of all training courses available from the Local Authority by email and any governor may apply to the Training Governor to take part in a course, via the Genie System. Requests for training need to be approved prior to attending a course. A record of all courses attended is kept by the Training Governor as well as a skills register which is maintained by the Finance, Property and Health and Safety Committee.

f. Organisational structure

The structure consists of four levels:

- The Mark Rutherford School Trust
- The Mark Rutherford School Governors
- The Headteacher
- The Senior Leadership Team

The aim of the structure is to devolve responsibility and authority to the appropriate level, encouraging participation in decision making and to hold leaders to account for those decisions.

Governors are responsible for setting general policy and strategic direction, adopting an annual plan and school budget and for monitoring and evaluating the work of the school and its leaders.

The Headteacher and the Senior Leadership Team are responsible for developing plans for improvement and the strategic direction of the school as well as its day-to-day operation; in particular the organisation of resources such as teaching and non-teaching staff, facilities and students.

g. Arrangements for setting pay and remuneration of key management personnel

The Governing Body of Mark Rutherford School has prepared a policy in respect of pay which recognises the following constraints:

- The requirements of the School Teachers' Pay and Conditions Document
- The national pay framework for NJC pay scales
- The current staffing structure of the school
- The Employment Relations Act 1999, the Equality Act 2010, the Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Fixed Term Employees (Prevention of Less Favourable Treatment Regulations) 2002 and the standards for openness and objectivity in public life

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

Structure, governance and management (continued)

These pay principals apply to all staff including the senior management personnel to whom the governors have delegated significant authority or responsibility in the day-to-day running of the Academy Trust. The Governing Body holds the right to award additional discretionary payments as they see fit.

Objectives and activities

a. Aims

Our aim is to provide the best possible education for each child within the context of a caring and safe community. School life centres on the students and every effort is made to provide them with opportunities and experiences to further their development and be successful both socially and academically.

We believe that every child is unique. Our aim is to provide broad, balanced, personalised learning experiences that will enable our students to be healthy, stay safe, enjoy and achieve, make a positive contribution to society and achieve economic well-being.

b. Objectives, strategies and activities

Our ethos:

- We see education in its widest sense; a life-long experience that gives equal importance to positive values, attitudes and beliefs as to the acquisition of knowledge, skills and ideas.
- Develop students as decent human beings with a sense of personal worth and to value the rights of others.
- Develop an atmosphere of positive encouragement where school, home and community work together to support learning.

We will develop a community in which:

- A student's chances of success are not related to their socio-economic background, gender or ethnicity.
- Provision is designed around the needs of each student with the expectation that all learners will achieve high standards.
- All students leave the school with functional skills in English and Mathematics, understanding how to learn, think creatively, take risks and handle change.
- Teachers use their skills and knowledge to engage students as partners in learning, acting quickly to adjust their teaching in response to students' learning.
- Parents/carers are seen as equal partners in supporting students' learning.
- Teaching and learning responds to the needs of an ever changing society that is ethnically and socially diverse, increasingly reliant on technology, complex, knowledge-based and concerned about sustaining the environment.

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

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities our governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Our key objectives for the year included:

- To broaden our academic curriculum to meet the needs of all our students.
- To enhance and improve the personal development provision for students.
- To continue to develop the first class pastoral care we provide for students.

The school's outcomes and ethos enables students to achieve economic well-being and be able to make a positive contribution to society. Resources are deployed effectively in order to achieve value for money.

Achievements and performance

a. Achievements and performance indicators

Following the two year disruption caused by COVID-19, this academic year saw formal public exams since the academic year 2018-2019. The awarding bodies made adjustments to some subjects to make them more accessible. All students however, were expected to sit external examinations in all of their subjects.

Key Stage 4

As a school we strive for breadth of curriculum, which means the range of GCSEs on offer is impressive.

The results for 2021-2022 are as follows:

- In Maths 63.1% gained a 9-4 pass and 40.9% grades 9-5
- In English 72.7% gained a 9-4 pass and 55.6% grades 9-5
- The combined English and Maths for grades 9-4 was 58.6% and 38.4% for grades 9-5

Key Stage 5

The Key Stage 5 results have shown a continuing positive trend, with a value added performance in line with aspiration targeted minimum expected grades. For Year 13 students there was a 97.3% pass rate across all subjects with A*-B grades subjects at an average of 57.8% and A*-C at an average of 81.6% equivalent. No students resat the GCSE English exam and those that resat GCSE Maths continued to secure a grade 3 and not meet the requirements of a grade 4.

b. Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For these reasons the governors continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

Financial review

a. Reserves policy

The Finance, Property and Health and Safety Committee review the reserve levels of the academy every half term. This review examines the income and expenditure streams against the forecasts to match commitments, and to identify or forecast any potential shortfall. The Governors have determined that the appropriate level of reserves should be at least 2% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income from the applicable streams or to provide a cushion for unexpected emergency expenditure and to manage any reduction in income from one year to the next. The Academy will continue to keep reserves at this level subject to constant and on-going review.

The governors have given careful consideration to the level of reserves held by the academy. The academy seeks to maintain its commitment to delivering high quality education at the best value for money, within the funding available from the ESFA and other sources. The cumulative carry forward free reserves as at 31 August 2022 were £1.32m. The budgeted surplus is in line with the School Development Plan and is considered necessary in order to provide adequate funds for the future development of the Academy Trust.

b. Investment policy

The Governing Body will agree a treasury management policy when applicable for the investment of surplus funds. Short term investments are restricted to the transfer to the Academies Business Reserves Account managed by the Finance Manager and certified by the School Business Manager. The investment will be in accordance with a prudent low risk policy and must observe the guidelines issued by the Education Skills Funding Agency. Sums that will be invested for a longer term will be given careful consideration.

c. Principal risks and uncertainties

The Governors acknowledge responsibility for safeguarding the assets of Mark Rutherford School Trust and hence take reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- Mark Rutherford School Trust is operating efficiently and effectively.
- Our assets are safeguarded against unauthorised use or disposition.
- The proper records are maintained and financial information used within the academy's publication is reliable.
- Mark Rutherford School Trust complies with relevant laws and regulations.

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

d. Risk management and internal scrutiny

The Governors are responsible for the management of the risks faced by the Academy in particular the risks associated with the teaching of certain subjects, provision of facilities, the control of finance and other operational factors in relation to health and safety. The governors are assisted in this task by the Risk Management Group and the Academy's Risk and Opportunity Management Policy Statement. The aims of the Risk Management Group are to:

- evaluate the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures are designed effectively and efficiently, and checking transactions to confirm whether agreed procedures have been followed
- offer advice and insight to the board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day-to-day running of the Academy Trust
- ensure all categories of risk are being adequately identified, reported and managed

The key robust controls used by the academy include:

- A risk register
- A robust and effective system of internal financial controls
- A disaster management plan with critical incident plan covering any disruption to normal working
- Adequate insurance cover
- Formal written policies
- Comprehensive strategic planning, budgeting and management accounting
- School improvement plan
- Detailed terms of reference for all Governors' committees

e. Financial and Risk Management Objectives and Policies

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 the academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place since the inception of Mark Rutherford School Trust and therefore for the year ending 31 August 2022 and up to the date of approval of the annual report and financial statements.

f. Statement of internal control

The Governors acknowledge that we have overall responsibility for ensuring that Mark Rutherford School Trust has an effective and robust system of control. The Governors are also responsible for keeping proper accounting records which show as accurately as possible the financial position of the academy at any one time and which ensures that financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the academy and for taking appropriate steps to detect and prevent fraud or irregularities and which provide assurance that:

- The academy is operating efficiently and effectively.
- The assets are safeguarded against unauthorised use or disposition.
- The proper records are maintained and financial information used or published is reliable.
- The academy complies with relevant laws and regulations.

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

The Academy's system of internal financial control is based upon a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. More specifically it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed with the Governing Body.
- Regular reviews by the Finance, Property and Health and Safety Committee of reports stating financial performance against forecasts of annual budgets and any special projects.
- Setting targets to measure financial and other performance.
- Delegation and segregation of duties.
- Identification and management of risks.

In addition the Responsible Officer carries out termly evaluation of its systems and procedures that include the following:

- To identify that the Governors and Senior Leaders have the appropriate knowledge and experience and can bring these to bear in the financial oversight of the Academy.
- To ensure that prudent financial planning will secure the academy's short and long term financial health.
- To ensure that the academy has in place sound internal control and risk management over its operations.
- To demonstrate that the funds granted by Parliament have been used as intended.
- To ensure that the academy has an updated best value policy and that this is applied as appropriate.
- That the academy has and follows a confidential reporting policy.

Fundraising

As there are no arrangements with professional fundraisers, the Governors have adopted an approach to fundraising which ensures the Academy maintains effective control over the school's fundraising and ensures compliance with legal duties. The school has established a Fundraising Lead who:

- Acts in the best interests of the Academy.
- Manages the Academy resources responsibly, which includes protecting and safeguarding its reputation.
- Acts with reasonable care and skill.

The role of the Fundraising Lead is to take responsibility for fundraising applying the following principles:

- Plan effectively.
- Ensure adequate supervision for fundraisers.
- Protect the Academy's reputation, money raised and other assets.
- Identify and ensure compliance with the laws or regulations.
- Identify and following any recognised standards that apply.
- Being open and accountable.

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

Plans for future periods

The school has a clear improvement plan based on five key areas:

- Quality of Education
- Behaviour and Attitudes
- Leadership and Management
- Personal Development
- School Community

These are reflected in appraisal targets for all staff which are monitored regularly by the governors. The school is popular with parents/carers and oversubscribed.

We want our teaching facilities to have a profound and positive impact on our students' experiences and we endeavour to make the school a better, safer environment for all. With this focus in mind Governors are pleased with the recent building improvement projects.

In the last academic year, governors released funds to redevelop the students toilets in the Science and D&T block after they had been closed for over fifteen years. This ensures we now have toilets for students and staff in every block of the school.

The focus over this forthcoming academic year is to improve our IT infrastructure and ensure the school has Wi-Fi. This will support the quality of teaching and learning for students as well as the wellbeing of our staff.

COVID-19

Although there is no current school related guidance in relation to COVID-19, this pandemic triggered significant changes in education systems worldwide. We continue to find ourselves navigating the impact of the pandemic, to include:

- The capacity of children's services to support the most vulnerable children and young people.
- The effect of lost curriculum time in conjunction with the return of formal exams; this could potentially impact on students' progression to the next stage of education or employment.
- The continued support, emotionally and financially, for students and their families.
- The long term effect on disadvantaged groups, including the Governments' approach to free school meals
- The long term impact on the most vulnerable groups (such as pupils with special educational needs, disabilities and children in need).

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

Disclosure of information to auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governors 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 Governors' report was approved by order of the Board of Governors, as the company directors, on and signed on its behalf by:


.....
S Harker
Chair of Governors


.....
Mrs K Foster
Accounting Officer

Date: 20.12.22

MARK RUTHERFORD SCHOOL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Mark Rutherford School 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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Mark Rutherford School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The board of Governors has formally met 5 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
A Hare	4	5
A MacLennan, Staff Governor	1	2
D Koch	5	5
I Simpson	3	5
J Campbell, Chair	5	5
J Marsh	4	5
J Warehand	4	5
J Whitfield	2	2
K Foster, Head Teacher	5	5
K Grant	3	4
N Foster	5	5
N Stout	3	5
P Page	5	5
R F Barker, Staff Governor	3	3
S Field	4	5
S Harker, Chair (from 22 November 2022)	2	5
R Hubbard	2	2
W Browning, Responsible Officer	4	5

Governance reviews

Governance is included as an item on the full board of governors meeting agenda annually, at which meeting the issue of risk is discussed.

The Finance, Premises, Health & Safety and Audit Committee is a sub-committee of the main board of Governors. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, comply with reporting and regulatory requirements, receive reports from the responsible officer and auditors and draft the annual budget.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Hare	3	5
D Koch	4	5
I Simpson	4	5
J Marsh	5	5
J Warehand	1	2
K Foster, Head Teacher	5	5
N Foster	3	5
W Browning, Responsible Officer	5	5

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors 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:

Aspire Higher Outreach Initiative

Aspire Higher is an outreach initiative which is part of the Office for Students (OfS) University Connect Programme. University Connect is aimed at increasing the number of young people from disadvantaged backgrounds in higher education.

The main priorities for Aspire Higher are to establish and/or support:

- Enhanced schools outreach.
- Out-of-school outreach activities that are particularly targeted at young people from deprived areas. This is to reflect national and local concerns about the numbers of disadvantaged young people in this demographic accessing Higher Education as outlined by the Government and the OfS.
- Greater parental engagement by providing further support for the targeted students as well as information on the training and progression opportunities available for learners.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The links which have been established between Mark Rutherford School and Aspire Higher University Connect Consortium are mutually beneficial because of joint activities, resources and the opportunities interaction brings but also through the sharing of good practice and the mutual desire to improve teaching and learning alongside the broader education we offer.

Continuous Professional Development

Following COVID-19 the school reviewed their CPD provision to support teachers with their subject knowledge and pedagogy. The school continued to have Teacher Coaches in a voluntary capacity to support staff identified as needing guidance with their practice. In addition, the school used some of their allocated Catch-Up Funding to enhance their CPD budget to ensure teachers had the required training as they moved from remote learning back into the classroom. Finally, the school changed the format of their department meetings to ensure these had a development focus.

Financial Oversight

The schools strong financial oversight and governance continues to go from strength to strength. The budget is monitored monthly and any variances are challenged and scrutinised. Robust internal controls are embedded and decisions are analysed following the four principles of best value. We challenge, compare, consult and compete on all financial aspects.

Self-evaluation

We are continuing to embed the integrated curriculum and financial planning approach to ensure our curriculum is managed and delivered in the most cost effective way. This approach has already enabled us to ensure we can deliver the broad and balanced curriculum we aim for whilst ensuring it is as cost effective as possible too.

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 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 Mark Rutherford School Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- regular reviews by the Finance and General Purposes 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
- identification and management of risks

The Board of Governors has decided not to appoint an internal auditor. However, the Governors have appointed W Browning, a Governor, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Testing of payroll
- Testing of purchases
- Testing of income
- Testing of the accounting system
- Testing of related parties transactions
- Testing of asset management
- Testing of IT systems and Cyber Security
- Testing of GDPR compliance

On an annual basis, the reviewer reports to the board of Governors through the Finance, Premises, Health & Safety and Audit Committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

Review of effectiveness

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

- the work of the reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises, Health & Safety and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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GOVERNANCE STATEMENT (CONTINUED)

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


.....
S Harker
Chair of Governors


.....
Mrs K Foster
Accounting Officer

Date: 20.12.22

MARK RUTHERFORD SCHOOL TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Mark Rutherford School Trust I have considered my responsibility to notify the Academy board of Governors 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, under the funding agreement in place between the Academy 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 2021.

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

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


.....
Mrs R Foster
Accounting Officer

Date: 20.12.22

MARK RUTHERFORD SCHOOL TRUST
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


.....
S Harker
Chair of Governors

Date: 20.12.22

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARK RUTHERFORD SCHOOL TRUST

Opinion

We have audited the financial statements of Mark Rutherford School Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARK RUTHERFORD SCHOOL TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

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

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

Responsibilities of governors

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

In preparing the financial statements, the Governors are responsible for assessing the Academy'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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARK RUTHERFORD SCHOOL TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy through discussions with management, and from our knowledge and experience of the sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation and employment;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MARK RUTHERFORD SCHOOL TRUST (CONTINUED)

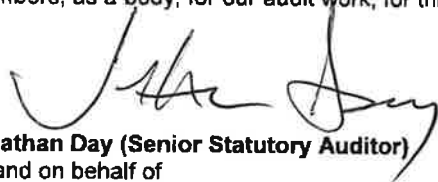
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Day (Senior Statutory Auditor)
for and on behalf of
Streets Audit LLP
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 22.12.22

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MARK
RUTHERFORD SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mark Rutherford School Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Mark Rutherford School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mark Rutherford School 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 Mark Rutherford School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mark Rutherford School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mark Rutherford School Trust's funding agreement with the Secretary of State for Education dated 1 January 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

Approach

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

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

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

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

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Day (Senior Statutory Auditor)
Streets Audit LLP

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date: 22.12.22

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	8,212	487,598	495,810	354,435
Other trading activities	5	19,973	-	-	19,973	4,479
Investments	6	899	-	-	899	211
Charitable activities	4	-	8,368,652	-	8,368,652	7,989,782
Total income		20,872	8,376,864	487,598	8,885,334	8,348,907
Expenditure on:						
Charitable activities		-	8,789,075	773,718	9,562,793	8,690,720
Total expenditure		-	8,789,075	773,718	9,562,793	8,690,720
Net income/(expenditure)		20,872	(412,211)	(286,120)	(677,459)	(341,813)
Transfers between funds	18	(43,080)	-	43,080	-	-
Net movement in funds before other recognised gains/(losses)		(22,208)	(412,211)	(243,040)	(677,459)	(341,813)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	4,862,000	-	4,862,000	(715,000)
Net movement in funds		(22,208)	4,449,789	(243,040)	4,184,541	(1,056,813)

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Reconciliation of funds:					
Total funds brought forward	482,531	(3,927,638)	12,531,963	9,086,856	10,143,669
Net movement in funds	(22,208)	4,449,789	(243,040)	4,184,541	(1,056,813)
Total funds carried forward	<u>460,323</u>	<u>522,151</u>	<u>12,288,923</u>	<u>13,271,397</u>	<u>9,086,856</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 56 form part of these financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08316719

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		11,831,012		12,355,826
			<u>11,831,012</u>		<u>12,355,826</u>
Current assets					
Stocks	14	1,176		3,148	
Debtors	15	609,012		485,141	
Cash at bank and in hand		1,482,929		1,011,340	
		<u>2,093,117</u>		<u>1,499,629</u>	
Creditors: amounts falling due within one year	16	(317,732)		(136,349)	
Net current assets			<u>1,775,385</u>		<u>1,363,280</u>
Total assets less current liabilities			<u>13,606,397</u>		<u>13,719,106</u>
Creditors: amounts falling due after more than one year	17		-		(5,250)
Net assets excluding pension liability			<u>13,606,397</u>		<u>13,713,856</u>
Defined benefit pension scheme liability	25		(335,000)		(4,627,000)
Total net assets			<u><u>13,271,397</u></u>		<u><u>9,086,856</u></u>

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08316719

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Funds of the Academy					
Restricted funds:					
Fixed asset funds	18	12,288,923		12,531,963	
Restricted income funds	18	857,151		699,362	
Restricted funds excluding pension asset	18	13,146,074		13,231,325	
Pension reserve	18	(335,000)		(4,627,000)	
Total restricted funds	18		12,811,074		8,604,325
Unrestricted income funds	18		460,323		482,531
Total funds			13,271,397		9,086,856

The financial statements on pages 25 to 56 were approved and authorised for issue by the Governors and are signed on their behalf, by:


.....
S Harker
Chair of Governors


.....
Mrs K Foster
Accounting Officer

Date: 20.12.22

The notes on pages 30 to 56 form part of these financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	481,190	221,701
Cash flows from investing activities	22	899	(721,199)
Cash flows from financing activities	21	(10,500)	(10,500)
Change in cash and cash equivalents in the year		471,589	(509,998)
Cash and cash equivalents at the beginning of the year		1,011,340	1,521,338
Cash and cash equivalents at the end of the year	23, 24	<u>1,482,929</u>	<u>1,011,340</u>

The notes on pages 30 to 56 form part of these financial statements

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mark Rutherford School Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

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

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 4% per annum straight line from 1 April 2013
Furniture and equipment	- 20% per annum straight line
Computer equipment	- 33.3% per annum straight line

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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 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.

MARK RUTHERFORD SCHOOL TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

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

1. Accounting policies (continued)

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

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3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	8,212	-	8,212	10,000
Capital Grants	-	487,598	487,598	344,435
	<u>8,212</u>	<u>487,598</u>	<u>495,810</u>	<u>354,435</u>
<i>Total 2021</i>	<u>10,000</u>	<u>344,435</u>	<u>354,435</u>	

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4. Funding for the academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	7,398,673	7,398,673	6,750,866
Other DfE/ESFA grants			
Pupil Premium	272,083	272,083	264,425
Teachers Pay & Pension grant	50,677	50,677	340,819
Supplementary grant	86,899	86,899	-
Catch-up Premium	-	-	89,960
Others	89,455	89,455	173,937
	<u>7,897,787</u>	<u>7,897,787</u>	<u>7,620,007</u>
Other Government grants			
Local Authority grants	375,837	375,837	312,134
	<u>375,837</u>	<u>375,837</u>	<u>312,134</u>
Other income from the academy trust's educational operations	95,028	95,028	57,641
	<u><u>8,368,652</u></u>	<u><u>8,368,652</u></u>	<u><u>7,989,782</u></u>

In the prior year, the academy received £89,960 of funding for catch-up premium. Costs incurred in respect of this funding totalled £25,375 with the remaining £64,586 brought forward to the 2021/22 year.

During the year ended 31 August 2022, expenditure of £50,001 and therefore catch-up premium of £14,584 has been carried forward to 2022/23.

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	19,973	19,973	4,479
	<u><u>19,973</u></u>	<u><u>19,973</u></u>	<u><u>4,479</u></u>

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6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest received	899	899	211

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Academy's Educational Operations:					
Direct costs	6,017,210	-	380,690	6,397,900	6,243,475
Support costs	1,280,531	773,588	1,110,774	3,164,893	2,447,245
	<u>7,297,741</u>	<u>773,588</u>	<u>1,491,464</u>	<u>9,562,793</u>	<u>8,690,720</u>
<i>Total 2021</i>	<u>6,965,201</u>	<u>699,820</u>	<u>1,025,699</u>	<u>8,690,720</u>	

8. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Academy's Educational Operations	<u>6,397,900</u>	<u>3,164,893</u>	<u>9,562,793</u>	<u>8,690,720</u>
<i>Total 2021</i>	<u>6,243,475</u>	<u>2,447,245</u>	<u>8,690,720</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's Educational Operations 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	5,975,549	5,975,549	5,837,427
Educational supplies	253,747	253,747	270,933
Staff development	31,754	31,754	19,166
Examination fees	95,189	95,189	80,110
Supply staff costs	41,661	41,661	35,839
	<u>6,397,900</u>	<u>6,397,900</u>	<u>6,243,475</u>
<i>Total 2021</i>	<u>6,243,475</u>	<u>6,243,475</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's Educational Operations 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension finance costs	75,000	75,000	54,000
Staff costs	1,280,531	1,280,531	1,091,935
Depreciation	524,815	524,815	437,721
Maintenance of premises and equipment	307,554	307,554	151,889
Rent and rates	34,673	34,673	35,328
Heat and light	103,196	103,196	86,605
Insurance	43,766	43,766	37,276
Printing, postage and stationery	65,327	65,327	55,591
Other costs	76,543	76,543	69,078
Catering	57,258	57,258	23,169
Cleaning	141,829	141,829	127,342
Subscriptions and licences	104,197	104,197	96,989
Security and transport	21,122	21,122	18,315
Bank charges	2,190	2,190	1,158
CIF expenditure	312,654	312,654	151,676
Governance costs	14,238	14,238	9,173
	<u>3,164,893</u>	<u>3,164,893</u>	<u>2,447,245</u>
<i>Total 2021</i>	<u><u>2,447,245</u></u>	<u><u>2,447,245</u></u>	

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	11,077	5,611
Depreciation of tangible fixed assets	524,815	437,721
Fees paid to auditor for:		
- audit	11,800	8,750
- other services	2,438	423
	<u>11,800</u>	<u>8,750</u>
	<u>2,438</u>	<u>423</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	5,087,718	4,989,080
Social security costs	517,894	487,271
Pension costs	1,595,667	1,442,991
	<u>7,201,279</u>	<u>6,919,342</u>
Staff restructuring costs	44,449	-
Apprenticeship levy	10,352	10,020
	<u>54,801</u>	<u>10,020</u>
Agency staff costs	41,661	35,839
	<u>7,297,741</u>	<u>6,965,201</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>44,449</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Staff numbers

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

	2022	2021
	No.	No.
Teaching / Educational Support	136	141
Administration / Support	56	64
	192	205

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teaching / Educational support	106	114
Administration / Support	33	24
	139	138

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	4	7
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £941,955 (2021 £887,601).

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11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2022	2021
		£	£
A MacLennan, Staff Governor (resigned 7 February 2022)	Remuneration	15,000 -	45,000 -
		20,000	50,000
R F Barker, Staff Governor (resigned 11 February 2022)	Pension contributions paid	0 - 5,000	0 - 5,000
	Remuneration	30,000 -	45,000 -
		35,000	50,000
	Pension contributions paid	5,000 -	10,000 -
		10,000	15,000
J Bloor, Head Teacher (resigned 31 December 2020)	Remuneration		60,000 -
			65,000
	Pension contributions paid		5,000 -
			10,000
K Foster, Head Teacher (appointed 17 March 2021)	Remuneration	90,000 -	40,000 -
		95,000	45,000
	Pension contributions paid	20,000 -	10,000 -
		25,000	15,000
R Hubbard (appointed 9 May 2022)	Remuneration	5,000 -	
		10,000	
	Pension contributions paid	0 - 5,000	
	Remuneration	10,000 -	
J Whitfield (appointed 9 May 2022)		15,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2022, expenses totalling £83 were reimbursed or paid directly to 2 Governors (2021 - £NIL). Expenses incurred were in respect of department resources and Covid testing equipment.

12. Governors' and Officers' insurance

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

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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	16,024,369	13,700	12,005	16,050,074
At 31 August 2022	16,024,369	13,700	12,005	16,050,074
Depreciation				
At 1 September 2021	3,668,543	13,700	12,005	3,694,248
Charge for the year	524,814	-	-	524,814
At 31 August 2022	4,193,357	13,700	12,005	4,219,062
Net book value				
At 31 August 2022	11,831,012	-	-	11,831,012
At 31 August 2021	12,355,826	-	-	12,355,826

14. Stocks

	2022 £	2021 £
School uniforms	1,176	3,148

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	-	375
Other debtors	36,603	35,677
Prepayments and accrued income	572,409	449,089
	609,012	485,141

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other loans	5,250	10,500
Trade creditors	85,352	-
Other creditors	56,700	-
Accruals and deferred income	170,430	125,849
	317,732	136,349

No deferred income is included within the above figures.

17. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	-	5,250

Other loans of £nil (2021: £5,250) relate to the long term element of a Salix loan originally for £84,000 as part of ACMF funding for 2013/14. The loan is interest free and repayable in twice yearly installments of £5,250 and will be paid in full by September 2022.

The remaining loan balance outstanding as at 31 August 2022 totals £5,250 (2021: £15,750).

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	482,531	20,872	-	(43,080)	-	460,323
Restricted general funds						
General Annual Grant (GAG)	541,152	7,105,703	(6,954,026)	-	-	692,829
Other DfE/ESFA Grants	69,243	792,084	(734,673)	-	-	126,654
Local Authority Grants	15,438	375,837	(375,520)	-	-	15,755
Other Income	8,443	95,028	(96,643)	-	-	6,828
Donation	501	8,212	(8,212)	-	-	501
Catch-up Premium	64,585	-	(50,001)	-	-	14,584
Pension reserve	(4,627,000)	-	(570,000)	-	4,862,000	(335,000)
	(3,927,638)	8,376,864	(8,789,075)	-	4,862,000	522,151
Restricted fixed asset funds						
Fixed Assets	12,355,826	-	(524,815)	-	-	11,831,011
Devolved Formula Capital	-	26,770	-	(26,770)	-	-
CIF - Electrical Safety	176,137	-	(187,067)	10,930	-	-
CIF - Electrical Safety Phase 2	-	333,644	-	-	-	333,644
CIF - Asbestos Removal	-	127,184	(2,916)	-	-	124,268
STEM Building	-	-	(58,920)	58,920	-	-
	12,531,963	487,598	(773,718)	43,080	-	12,288,923

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total Restricted funds	8,604,325	8,864,462	(9,562,793)	43,080	4,862,000	12,811,074
Total funds	9,086,856	8,885,334	(9,562,793)	-	4,862,000	13,271,397

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

General Funds:

The Academy's general funds represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these fund for any purpose.

Restricted Funds:

The Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium. Special Educational Needs (High Needs) grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy. The unspent funds have been carried forward to future accounting periods.

Restricted Fixed Asset Funds:

The Academy received Devolved Formula Capital funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Asset fund.

The Academy also received CIF funding from the ESFA for works to be completed in respect of electrical safety and asbestos removal.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	570,158	4,690	-	(92,317)	-	482,531
Restricted general funds						
General Annual Grant (GAG)	285,751	6,719,891	(6,492,609)	28,119	-	541,152
Other DfE/ESFA Grants	48,339	757,041	(736,137)	-	-	69,243
Local Authority Grants	19,843	312,134	(316,539)	-	-	15,438
Catering	-	22,775	(22,775)	-	-	-
Other Income	5,350	25,296	(22,203)	-	-	8,443
Donation	501	10,000	-	(10,000)	-	501
Catch-up Premium	-	89,960	(25,375)	-	-	64,585
Other DfE/ESFA COVID-19 Funding	-	62,685	(62,685)	-	-	-
Pension reserve	(3,489,000)	-	(423,000)	-	(715,000)	(4,627,000)
	<u>(3,129,216)</u>	<u>7,999,782</u>	<u>(8,101,323)</u>	<u>18,119</u>	<u>(715,000)</u>	<u>(3,927,638)</u>
Restricted fixed asset funds						
Fixed Assets	12,072,135	-	(437,721)	721,412	-	12,355,826
Devolved Formula Capital	-	26,523	-	(26,523)	-	-
CIF - Electrical Safety	-	317,912	(141,775)	-	-	176,137
STEM Building	630,592	-	-	(630,592)	-	-
Other Capital Works	-	-	(9,901)	9,901	-	-

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18. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
	12,702,727	344,435	(589,397)	74,198	-	12,531,963
Total Restricted funds	9,573,511	8,344,217	(8,690,720)	92,317	(715,000)	8,604,325
Total funds	10,143,669	8,348,907	(8,690,720)	-	(715,000)	9,086,856

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	11,831,012	11,831,012
Current assets	460,323	1,174,883	457,911	2,093,117
Creditors due within one year	-	(317,732)	-	(317,732)
Provisions for liabilities and charges	-	(335,000)	-	(335,000)
Total	460,323	522,151	12,288,923	13,271,397

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	12,355,826	12,355,826
Current assets	482,531	840,961	176,137	1,499,629
Creditors due within one year	-	(136,349)	-	(136,349)
Creditors due in more than one year	-	(5,250)	-	(5,250)
Provisions for liabilities and charges	-	(4,627,000)	-	(4,627,000)
Total	482,531	(3,927,638)	12,531,963	9,086,856

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(677,459)	(341,813)
Adjustments for:		
Depreciation	524,815	437,721
Interest receivable	(899)	(211)
Defined benefit pension scheme cost less contributions payable	495,000	369,000
Defined benefit pension scheme finance cost	75,000	54,000
Decrease in stocks	1,972	513
Decrease/(increase) in debtors	(123,871)	(258,269)
Increase/(decrease) in creditors	186,632	(39,240)
Net cash provided by operating activities	481,190	221,701

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21. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(10,500)	(10,500)
Net cash used in financing activities	(10,500)	(10,500)

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	899	211
Purchase of tangible fixed assets	-	(721,410)
Net cash provided by/(used in) investing activities	899	(721,199)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,482,929	1,011,340
Total cash and cash equivalents	1,482,929	1,011,340

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,011,340	471,589	1,482,929
Debt due within 1 year	(10,500)	5,250	(5,250)
Debt due after 1 year	(5,250)	5,250	-
	995,590	482,089	1,477,679

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25. Pension commitments

The Academy'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 Bedford Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £842,110 (2021 - £819,846).

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

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £336,000 (2021 - £334,000), of which employer's contributions totalled £259,000 (2021 - £257,000) and employees' contributions totalled £ 77,000 (2021 - £77,000). The agreed contribution rates for future years are 19.4 per cent for employers and varying per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	22.0	21.9
Females	24.4	24.3
<i>Retiring in 20 years</i>		
Males	22.9	22.9
Females	26.1	26.0

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(140,000)	(250,000)
Mortality assumption - 1 year increase	151,000	383,000
CPI rate +0.1%	133,000	228,000

The pension scheme surplus/deficit is based on the actuarial assumptions used as at the 31 August 2022. These can and do change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by next year end. Post year end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2022	At 31 August 2021
	£	£
Equities	3,032,000	3,328,000
Corporate bonds	1,149,000	889,000
Property	702,000	444,000
Cash and other liquid assets	185,000	105,000
Total market value of assets	5,068,000	4,766,000

The actual return on scheme assets was £81,000 (2021 - £66,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£	£
Current service cost	(754,000)	(626,000)
Interest income	81,000	66,000
Interest cost	(156,000)	(120,000)
Total amount recognised in the Statement of financial activities	(829,000)	(680,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	9,393,000	7,420,000
Current service cost	754,000	626,000
Interest cost	156,000	120,000
Employee contributions	77,000	77,000
Actuarial (gains)/losses	(4,972,000)	1,119,000
Benefits paid	(5,000)	31,000
At 31 August	5,403,000	9,393,000

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

	2022 £	2021 £
At 1 September	4,766,000	3,931,000
Interest income	81,000	66,000
Actuarial (losses)/gains	(110,000)	404,000
Employer contributions	259,000	257,000
Employee contributions	77,000	77,000
Benefits paid	(5,000)	31,000
At 31 August	5,068,000	4,766,000

26. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	8,604	10,848
Later than 1 year and not later than 5 years	-	5,546
	8,604	16,394

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27. Members' liability

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

28. Related party transactions

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

See note 11 for details of Governors remuneration paid during the year.

29. Agency arrangements

The Academy Trust has entered into an arrangement during the year to distribute course fees in respect of TEACCH training across Bedford Borough Schools. This is considered to be an agency arrangement and the Academy has accounted for it as such.

As at 31 August 2022 the Academy had £56,700 of TEACCH funds carried forward for distribution.