
MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

SATURDAY



A3NLTZF7

A14

27/12/2014

#187

COMPANIES HOUSE

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Governors and Advisers	1 - 2
Governors' Report	3 - 8
Governance Statement	9 - 12
Statement on Regularity, Propriety and Compliance	13
Governors' Responsibilities Statement	14
Independent Auditors' Report	15 - 16
Independent Reporting Accountant's Assurance Report on Regularity	17 - 18
Statement of Financial Activities incorporating income and expenditure account	19 - 20
Balance Sheet	21 - 22
Cash Flow Statement	23
Notes to the Financial Statements	24 - 45

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

J Marsh
A F Rogers
Ms N Southgate
M Darlow
S C Lousada

Governors

J Marsh¹
Cllr J K S Mingay
S Peacey, Principal¹
J Humphries, Staff Governor¹
A F Rogers, Vice Chair - Chair from 8 September 2014¹
G J D L Munday (resigned 27 January 2014)
M Darlow, Chair until 8 September 2014
Ms J Langford
Mrs C H Bertram¹
W Browning, Responsible Officer
Ms N Southgate
R W Baxter¹
L M Robinson (resigned 24 October 2013)
F J Birkett (resigned 3 October 2013)
Mrs C Forni, Staff Governor (appointed 1 September 2013)
S J Palmer (appointed 16 December 2013)

¹ members of the Finance, Property and Health and Safety Committee

Company registered number

08316719

Principal and registered office

Mark Rutherford School
Wentworth Drive
Bedford
Bedfordshire
MK41 8PX

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Company secretary

Mrs D Croker

Senior leadership team

S Peacey, Principal
R Millard, Head of School
Ms J Palmer, Deputy Headteacher
Ms K Hughes, Deputy Headteacher
Ms J Samosa, Assistant Headteacher
R Wilson, Assistant Headteacher
Ms J Harrison, Assistant Headteacher
M Briggs, Assistant Headteacher
Ms K Foster, Director of Sixth form
Ms A Vallance, Assistant Headteacher
Mrs R Garner, Business Manager

Independent auditors

Streets Audit LLP
Chartered Accountants
Statutory Auditors
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
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Mark Rutherford School Trust (the academy) for the ended 31 August 2014. The Governors confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' 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 1,241 in the January 2014 school census.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors of Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Mark Rutherford School Trust.

The principal object of the Academy is to provide educational services. The charitable company was incorporated on 3rd December 2012 and took over the activities of Mark Rutherford Upper School on 1st January 2013.

Details of the Governors who served during the year 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 £5,000,000 on any one claim.

d. PRINCIPAL ACTIVITIES

The principal activity of the Academy is to advance for the public benefit education in the UK by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

e. 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 4 years, but this time limit will not apply to the Principal; however any Governor may be re-appointed or re-elected. The Chair and Vice Chair are re-elected annually.

During the year under review the Governors held six Full Governing Body meetings, and six meetings each of the Finance, Property and Health & Safety, Curriculum and Standards and Personnel Pay and Performance committees.

f. POLICIES AND PROCEDURES 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. As there are normally only one or two new Governors a year, induction 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 LA 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.

g. ORGANISATIONAL STRUCTURE

The structure consists of three levels: the Mark Rutherford School Trust; the Mark Rutherford School Governors; the Principal, the Head of School and the 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 Principal, Head of School 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.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no subsidiary companies or connected organisations. Mark Rutherford School Fund uses the school's name but is managed and administered independently of the Academy's governing body. As the Academy Trust does not control this organisation its activity is not reported in these financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

a. OBJECTIVES AND ACTIVITIES

Aims

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.

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 his or her 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 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

b. 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 enhance and improve the extra-curricular 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.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Strategic Report

a. ACHIEVEMENTS AND PERFORMANCE

The school has a track record of continuous improvement. Examination outcomes at Key Stage 4 over the last three years have been consistently and significantly above the national average. Results in 2014 reflected the 'centre volatility' that was experienced both locally and nationally. In November 2012 the school was inspected by Ofsted and deemed to be 'a good school', achieving grade 2 in all categories.

b. 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 one year from the date of approval of the financial statements. After making appropriate enquiries, the governing body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review

a. RESERVES POLICY

The Finance, Property and Health and Safety Committee review the reserve levels of the Academy half-termly. 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.

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 Liquidity Account managed by the Finance Manager and certified by the Business Manager. The investment will be in accordance with a prudent low risk policy and must observe the guidelines issued by the Education 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

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

d. RISK MANAGEMENT

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 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

a. 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 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 2014 and up to the date of approval of the annual report and financial statements.

Plans for future periods

a. FUTURE DEVELOPMENTS

The school has a clear improvement plan based on five key areas: Achievement, Quality of Teaching, Behaviour and Safety, Leadership and Management, the Curriculum. These are reflected in appraisal targets for all staff and are monitored regularly by the Governors. The school is popular with parents and oversubscribed. As a result accommodation is a key priority for the future.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report, incorporating the Strategic Report, was approved by order of the board of governors, as the company directors, on 15 December 2014 and signed on the board's behalf by:


A F Rogers
Chair of Governors

S Peacey, Principal



MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

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.

The board of governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Governors' Responsibilities Statement. The board of governors has formally met 6 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
J Marsh	6	6
Cllr J K S Mingay	6	6
S Peacey, Principal	6	6
J Humphries, Staff Governor	5	6
A F Rogers, Vice Chair - Chair from 8 September 2014	4	6
G J D L Munday	1	2
M Darlow, Chair until 8 September 2014	4	6
Ms J Langford	4	6
Mrs C H Bertram	5	6
W Browning, Responsible Officer	4	6
Ms N Southgate	3	6
R W Baxter	4	6
L M Robinson	0	1
F J Birkett	0	0
Mrs C Forni, Staff Governor	6	6
S J Palmer	2	3

Governance reviews:

The Trust has commenced a self-evaluation of governance in November 2014.

The Finance, Property and Health and Safety 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.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

At the start of the year, the Audit Committee became part of the Finance, Property and Health and Safety Committee.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Marsh	5	6
S Peacey, Principal	4	6
J Humphries	5	6
A F Rogers, Vice Chair	3	6
Mrs C H Bertram	6	6
R W Baxter	6	6

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 ongoing 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 2013 to 31 August 2014 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

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 Property and Health and Safety Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed W Browning, a Governor, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

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

- To identify that the Governors and Managers 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.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

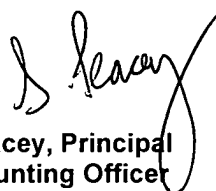
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of governors on 15 December 2014 and signed on its behalf, by:



A F Rogers
Chair of Governors



S Peacey, Principal
Accounting Officer

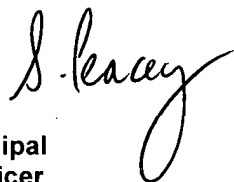
MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy board of governors are able to identify any material, irregular or improper use of 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 (2013).

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 EFA.



**S Peacey, Principal
Accounting Officer**

Date: 15 December 2014

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who act as governors of Mark Rutherford School Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

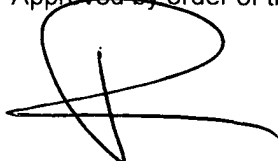
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 EFA/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 on 15 December 2014 and signed on its behalf by:



A F Rogers
Chair of Governors

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF MARK RUTHERFORD
SCHOOL TRUST**

We have audited the financial statements of Mark Rutherford School Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF MARK RUTHERFORD
SCHOOL TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.



Richard Ward (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

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

Date: 17 DECEMBER 2014

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 1 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 EFA 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 EFA 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 EFA, 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 Academies' Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. 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.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MARK
RUTHERFORD SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Richard Ward

Streets Audit LLP

Chartered Accountants
Statutory Auditors

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

Date: 17 DECEMBER 2014

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets on conversion	2	-	-	-	-	13,483,397
Other voluntary income	2	302	-	-	302	46,800
Activities for generating funds	3	21,143	-	-	21,143	17,604
Investment income	4	5,018	-	-	5,018	589
Incoming resources from charitable activities	5	-	7,197,524	238,261	7,435,785	5,144,811
TOTAL INCOMING RESOURCES		26,463	7,197,524	238,261	7,462,248	18,693,201
RESOURCES EXPENDED						
Charitable activities	7	-	7,084,504	598,343	7,682,847	4,895,910
Governance costs	8	-	12,528	-	12,528	29,331
TOTAL RESOURCES EXPENDED	6	-	7,097,032	598,343	7,695,375	4,925,241
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		26,463	100,492	(360,082)	(233,127)	13,767,960

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	19	-	(17,735)	17,735	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		26,463	82,757	(342,347)	(233,127)	13,767,960
Actuarial gains and losses on defined benefit pension schemes		-	(175,000)	-	(175,000)	(87,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		26,463	(92,243)	(342,347)	(408,127)	13,680,960
<i>Total funds at 1 September 2013</i>		<i>504,890</i>	<i>(353,040)</i>	<i>13,529,110</i>	<i>13,680,960</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		531,353	(445,283)	13,186,763	13,272,833	13,680,960

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 45 form part of these financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08316719

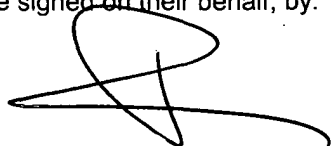
BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		13,102,180		13,529,110
CURRENT ASSETS					
Stocks	15	4,172		11,542	
Debtors	16	277,682		130,546	
Cash at bank and in hand		829,682		668,442	
		<u>1,111,536</u>		<u>810,530</u>	
CREDITORS: amounts falling due within one year	17	(68,133)		(74,680)	
NET CURRENT ASSETS			<u>1,043,403</u>		<u>735,850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,145,583</u>		<u>14,264,960</u>
CREDITORS: amounts falling due after more than one year	18	(78,750)			-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>14,066,833</u>		<u>14,264,960</u>
Defined benefit pension scheme liability	24	(794,000)			(584,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>13,272,833</u></u>		<u><u>13,680,960</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	348,717		230,960	
Restricted fixed asset funds	19	13,186,763		13,529,110	
Restricted funds excluding pension liability		<u>13,535,480</u>		<u>13,760,070</u>	
Pension reserve		<u>(794,000)</u>		<u>(584,000)</u>	
Total restricted funds			<u>12,741,480</u>		<u>13,176,070</u>
Unrestricted funds	19		<u>531,353</u>		<u>504,890</u>
TOTAL FUNDS			<u><u>13,272,833</u></u>		<u><u>13,680,960</u></u>

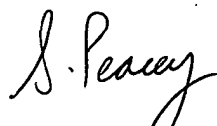
MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the Governors, and authorised for issue, on 15 December 2014 and are signed on their behalf, by:

A stylized, handwritten signature in black ink, consisting of a large loop and a horizontal stroke.

A F Rogers, Chair of Governors

A handwritten signature in black ink, appearing to read 'S. Peacey' with a long, sweeping tail.

S Peacey, Principal

The notes on pages 24 to 45 form part of these financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	21	92,263	477,559
Returns on investments and servicing of finance	22	(5,018)	(589)
Capital expenditure and financial investment	22	(10,005)	(216,999)
Cash transferred on conversion to an academy trust		-	408,471
CASH INFLOW BEFORE FINANCING		77,240	668,442
Financing	22	84,000	-
INCREASE IN CASH IN THE YEAR		161,240	668,442

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Increase in cash in the year	161,240	668,442
Cash outflow from decrease in debt and lease financing	(84,000)	-
MOVEMENT IN NET FUNDS IN THE YEAR	77,240	668,442
Net funds at 1 September 2013	668,442	-
NET FUNDS AT 31 AUGUST 2014	745,682	668,442

The notes on pages 24 to 45 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 2014

1. ACCOUNTING POLICIES

1.1 Accounting period

These financial statements are for the twelve months ended 31 August 2014 whilst the comparative figures are from conversion on 1 January 2013 to 31 August 2013.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.3 Company status

The academy is a company limited by guarantee. The members of the company are named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.4 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 funders where the asset acquired or created is held for a specific purpose.

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

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

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.6 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.7 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 one year from the date of approval of the financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	4% per annum straight line from 1st April 2013
Plant and machinery	-	20% per annum straight line
Computer equipment	-	33.33% per annum straight line

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.10 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.

1.11 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Assets on conversion	-	-	-	13,483,397
Donations	302	-	302	46,800
Voluntary income	302	-	302	13,530,197

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	21,143	-	21,143	17,604
	21,143	-	21,143	17,604

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest received	5,018	-	5,018	589

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,563,699	6,563,699	4,537,155
Start Up Grants	-	-	-	25,000
Other DfE/EFA Grants	-	490,780	490,780	152,477
	-	7,054,479	7,054,479	4,714,632
Other government grants				
Local Authority grants	-	230,248	230,248	325,761
	-	230,248	230,248	325,761
Other funding				
Catering	-	89,223	89,223	47,772
Other income	-	61,835	61,835	50,297
Teachers' development funding	-	-	-	6,349
	-	151,058	151,058	104,418
	-	7,435,785	7,435,785	5,144,811

6. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Direct costs	5,141,358	-	527,008	5,668,366	3,755,069
Support costs	605,620	713,667	695,194	2,014,481	1,140,841
Charitable activities	5,746,978	713,667	1,222,202	7,682,847	4,895,910
Governance	-	-	12,528	12,528	29,331
	5,746,978	713,667	1,234,730	7,695,375	4,925,241

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	<i>Total funds 2013 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,180,325	2,770,903
National insurance	323,140	219,175
Pension cost	568,711	383,472
Educational supplies	365,529	195,926
Staff development	30,122	19,950
Examination fees	131,357	104,908
Supply staff costs	69,182	60,735
	<u>5,668,366</u>	<u>3,755,069</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	490,792	321,793
National insurance	26,038	17,560
Pension cost	88,790	34,804
Depreciation	436,935	182,589
Pension income	14,000	11,000
Maintenance of premises and equipment	171,520	178,059
Rent and rates	30,830	(1,877)
Heat and light	84,042	67,297
Insurance	66,906	51,155
Printing, postage and stationery	131,489	65,461
Other costs	79,884	51,597
Catering	65,852	38,277
Cleaning	102,090	65,724
Subscriptions and licences	46,138	50,645
Security and transport	15,950	6,177
Bank charges	1,817	580
ACMF boiler replacement and emergency gas works	161,408	-
	<u>2,014,481</u>	<u>1,140,841</u>
	<u><u>7,682,847</u></u>	<u><u>4,895,910</u></u>

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Legal and professional fees	-	2,065	2,065	19,481
Auditors' remuneration	-	7,500	7,500	7,500
Auditors' non audit costs	-	2,963	2,963	2,350
	<u>-</u>	<u>12,528</u>	<u>12,528</u>	<u>29,331</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	436,935	182,589
Auditors' remuneration	7,500	7,500
Legal and professional fees	2,065	19,481
	<u>446,500</u>	<u>209,570</u>

10. GOVERNORS' AND OFFICERS' INSURANCE

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,475 (2013 - £1,272). The cost of this insurance is included in the total insurance cost.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,640,524	3,092,696
Social security costs	349,178	236,735
Other pension costs (Note 24)	657,501	418,276
	<u>5,647,203</u>	<u>3,747,707</u>
Supply teacher costs	69,182	60,735
Staff severance payments	30,593	-
	<u><u>5,746,978</u></u>	<u><u>3,808,442</u></u>

b. Staff severance payments

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,593. One of the non-statutory/non-contractual payment exceeded £5,000 individually and this was for £23,505.

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teaching / Educational support	148	148
Administration / Support	70	78
	<u>218</u>	<u>226</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	1	1
	<u>4</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £40,543 (2013 for the 8 months to August £17,400).

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Governors (2013 - 3) in respect of defined benefit pension schemes.

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2014 £	2013 £
S Peacey, Principal	105,000-110,000	65,000-70,000
Mrs C Forni, Staff Governor	25,000-30,000	
J Humphries, Staff Governor	40,000-45,000	25,000-30,000
Ms V Mussington, Staff Governor		10,000-15,000

During the year, no Governors received any benefits in kind or any reimbursement of expenses (2013 £nil).

13. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	61,000	27,000
Interest on pension scheme liabilities	(75,000)	(38,000)
	<u>(14,000)</u>	<u>(11,000)</u>

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2013	13,695,999	13,700	2,000	13,711,699
Additions	-	-	10,005	10,005
At 31 August 2014	13,695,999	13,700	12,005	13,721,704
Depreciation				
At 1 September 2013	179,866	2,283	440	182,589
Charge for the year	431,680	3,425	1,830	436,935
At 31 August 2014	611,546	5,708	2,270	619,524
Net book value				
At 31 August 2014	13,084,453	7,992	9,735	13,102,180
At 31 August 2013	13,516,133	11,417	1,560	13,529,110

Included in land and buildings is freehold land at cost of £2,904,000 (2013 £2,904,000) which is not depreciated.

15. STOCKS

	2014 £	2013 £
School uniforms	4,172	11,542

16. DEBTORS

	2014 £	2013 £
Trade debtors	1,500	23,917
VAT recoverable	53,137	8,834
Other debtors - ACMF grant	105,905	-
Prepayments and accrued income	117,140	97,795
	277,682	130,546

Accrued income includes the balance of the Academies Capital and Maintenance Fund which had been awarded to the Academy Trust in the year but was not received at the balance sheet date.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

17. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Salix loan (see note 18)	5,250	-
Trade creditors	38,561	5,049
Accruals and deferred income	24,322	69,631
	<u>68,133</u>	<u>74,680</u>
		£
Deferred income		
Deferred income at 1 September 2013		23,184
Amounts released from previous years		(23,184)
Devolved formula capital		14,658
		<u>14,658</u>
Deferred income at 31 August 2014		<u>14,658</u>

18. CREDITORS:
Amounts falling due after more than one year

	2014 £	2013 £
Salix loan	<u>78,750</u>	<u>-</u>
Included within the above are amounts falling due as follows:		
	2014 £	2013 £
Between one and two years		
Salix loan	<u>10,500</u>	<u>-</u>
Between two and five years		
Salix loan	<u>31,500</u>	<u>-</u>
Over five years		
Salix loan	<u>36,750</u>	<u>-</u>

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

18. CREDITORS:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable by instalments	<u>36,750</u>	<u>-</u>

During the year, the Academy took out a loan from EFA for boiler upgrades and associated works. The loan is interest free and is repayable by sixteen equal installments commencing March 2015.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	504,890	26,463	-	-	-	531,353
Restricted funds						
General Annual Grant (GAG)	230,960	6,563,699	(6,493,174)	(17,735)	-	283,750
Other DfE/EFA Grants	-	252,519	(192,342)	-	-	60,177
Local Authority grants	-	230,248	(225,458)	-	-	4,790
Catering	-	89,223	(89,223)	-	-	-
Other income	-	56,835	(56,835)	-	-	-
Harper Trust donation	-	5,000	(5,000)	-	-	-
Pension reserve	(584,000)	-	(35,000)	-	(175,000)	(794,000)
	(353,040)	7,197,524	(7,097,032)	(17,735)	(175,000)	(445,283)
Restricted fixed asset funds						
Fixed assets	13,529,110	-	(436,935)	10,005	-	13,102,180
ACMF - Boiler replacement and associated works	-	213,212	(161,408)	-	-	51,804
Devolved formula capital	-	25,049	-	7,730	-	32,779
	13,529,110	238,261	(598,343)	17,735	-	13,186,763
Total restricted funds	13,176,070	7,435,785	(7,695,375)	-	(175,000)	12,741,480
Total of funds	13,680,960	7,462,248	(7,695,375)	-	(175,000)	13,272,833

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

19. STATEMENT OF FUNDS (continued)

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 funds 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 EFA for the General Annual Grant (GAG) and Pupil Premium. Special Educational 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.

Pension Reserve - As stated in note 24 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Mark Rutherford School can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

Restricted Fixed Assets Funds:

The Academy received Capital Formula 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 Assets reserve.

The Academy Trust also received grants from the EFA's Academies Capital and Maintenance Fund to enable emergency gas works and boiler replacement works to be undertaken. The costs incurred in the year ended 31 August 2014 amounted to £161,408 with the balance being carried forward for costs due to be incurred in the year to 31 August 2015.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	504,890	26,463	-	-	-	531,353
Restricted funds	(353,040)	7,197,524	(7,097,032)	(17,735)	(175,000)	(445,283)
Restricted fixed asset funds	13,529,110	238,261	(598,343)	17,735	-	13,186,763
	<u>13,680,960</u>	<u>7,462,248</u>	<u>(7,695,375)</u>	<u>-</u>	<u>(175,000)</u>	<u>13,272,833</u>

The school fund is held in a separate registered charity Mark Rutherford School Fund (charity number 1086558) and is not included within these financial statements.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	13,102,180	13,102,180	13,529,110
Current assets	531,353	495,600	84,583	1,111,536	810,530
Creditors due within one year	-	(68,133)	-	(68,133)	(74,680)
Creditors due in more than one year	-	(78,750)	-	(78,750)	-
Provisions for liabilities and charges	-	(794,000)	-	(794,000)	(584,000)
	<u>531,353</u>	<u>(445,283)</u>	<u>13,186,763</u>	<u>13,272,833</u>	<u>13,680,960</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

Net incoming resources before revaluations	(233,127)	13,767,960
Returns on investments and servicing of finance	5,018	589
Cash transferred on conversion	-	(408,471)
Donated assets	-	(13,494,700)
Depreciation of tangible fixed assets	436,935	182,589
Decrease/(increase) in stocks	7,370	(11,542)
Increase in debtors	(147,136)	(130,546)
(Decrease)/increase in creditors	(11,797)	74,680
Increase in provisions	210,000	584,000
FRS 17 adjustments	(175,000)	(87,000)
Net cash inflow from operations	<u>92,263</u>	<u>477,559</u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>(5,018)</u>	<u>(589)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(10,005)</u>	<u>(216,999)</u>

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Financing		
Salix loan	84,000	-

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	668,442	161,240	-	829,682
Debt:				
Debts due within one year	-	-	(5,250)	(5,250)
Debts falling due after more than one year	-	-	(78,750)	(78,750)
Net funds	668,442	161,240	(84,000)	745,682

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £239,000, of which employer's contributions totalled £184,000 and employees' contributions totalled £55,000. The agreed contribution rates for future years are 21.5% for employers and a variable rate for employees, depending on rates of pay.

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.

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,123,000)	(1,508,000)
Fair value of scheme assets	1,329,000	924,000
	<u>(794,000)</u>	<u>(584,000)</u>
Net liability	<u>(794,000)</u>	<u>(584,000)</u>

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

	2014 £	2013 £
Current service cost	(205,000)	(118,000)
Interest on obligation	(75,000)	(38,000)
Expected return on scheme assets	61,000	27,000
	<u>(219,000)</u>	<u>(129,000)</u>
Total	<u>(219,000)</u>	<u>(129,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	1,508,000	-
Current service cost	205,000	118,000
Interest cost	75,000	38,000
Contributions by scheme participants	55,000	36,000
Actuarial Losses	281,000	119,000
Benefits paid	(1,000)	-
Liability transferred on conversion	-	1,197,000
	<u>2,123,000</u>	<u>1,508,000</u>
Closing defined benefit obligation	<u>2,123,000</u>	<u>1,508,000</u>

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2014	2013
	£	£
Opening fair value of scheme assets	924,000	-
Expected return on assets	61,000	27,000
Actuarial gains and (losses)	106,000	32,000
Contributions by employer	184,000	130,000
Contributions by employees	55,000	36,000
Asset transferred on conversion	(1,000)	699,000
	1,329,000	924,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £175,000 (2013 - £87,000).

The academy expects to contribute £171,000 to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	69.00 %	70.00 %
Bonds	19.00 %	19.00 %
Property	9.00 %	8.00 %
Cash	3.00 %	3.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.4	21.6
Females	24.3	23.2
Retiring in 20 years		
Males	24.4	23.6
Females	26.8	25.6

MARK RUTHERFORD SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

24. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(2,123,000)	(1,508,000)
Scheme assets	1,329,000	924,000
Deficit	(794,000)	(584,000)
Experience adjustments on scheme liabilities	(281,000)	(119,000)
Experience adjustments on scheme assets	106,000	32,000

25. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £	2014 £	Other 2013 £
Expiry date:				
Within 1 year	-	-	25,843	2,745
Between 2 and 5 years	-	-	15,151	49,065

26. MEMBERS' LIABILITY

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

27. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.