

LP.

Company Registration No. 09265723 (England and Wales)

**RAINBOW EDUCATION MULTI-ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Mr Henry Mooney (Chairperson)  
Mr David Cadwallader  
Mr Frank Maguire  
Mr Chad Thompson (Vice Chairperson)  
Fr Richard Peers

### Trustees

Mr Francis Maguire  
Mr Jonathan Nichols  
Mr David Cadwallader (Chairperson)  
Mr Robert White (Resigned 1 August 2019)  
Mr Robert Wyn Jones  
Mrs Lorraine Partington (Vice Chairperson)  
Mr Jonathan Everard  
Miss Sara Ngenda (Appointed 1 October 2018)  
Miss Rajdeep Dosanjh  
Miss Laura Curran  
Mr Chad Thompson  
Mr Henry Mooney  
Ms Nichola James (Appointed 4 December 2018)  
Fr Richard Peers

### Company Secretary

Miss Charlotte Furnival

### Senior management team

- CEO and Executive Headteacher	Mr Jonathan Nichols
- Executive Headteacher	Mrs Gina Donaldson
- Headteacher	Mrs Nicola Rutter
- Executive Headteacher	Miss Sarah Knipe
- Head of Teaching and Learning	Mr Steven Lawley
- Head of Early Years	Miss Emma Davin
- Chief Operating Officer	Miss Charlotte Furnival

### Company registration number

09265723 (England and Wales)

### Registered office

1st Floor, The Old Education Offices  
Huyton Hey Road  
Liverpool  
L36 5YH

### Academies operated

St Silas C of E Primary School  
Heygreen Community Primary School  
Rainbow Trust  
Garston C of E Primary School  
Croxteth Community Primary School  
Shoreside Primary School

### Location

Liverpool  
Liverpool  
Liverpool  
Liverpool  
Liverpool  
Sefton

### Principal

Mrs Gina Donaldson  
Mrs Nicola Rutter  
Mr Jonathan Nichols  
Miss Sarah Knipe  
Mrs Gina Donaldson  
Miss Sarah Knipe

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

**Independent auditor**

RSM UK Audit LLP  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

**Bankers**

Lloyds Bank PLC  
Liverpool Law Courts (306562) Branch  
PO Box 1000  
BX1 1LT

**Solicitors**

Lee Bolton Monier-Williams Solicitors  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT

---

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates Academies for pupils aged up to 11 years serving a catchment area in the Merseyside and Liverpool City Region. It has a pupil capacity of 1,147 and had a roll of 1,290 in August 2019.

After the year end, St Gabriels C of E Primary School converted to academy trust status and joined Rainbow Education Multi-Academy Trust on 1 September 2019.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Multi 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 Multi Academy Trust.

The Trustees of Rainbow Education Multi Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company operates as Rainbow Education Multi Academy Trust

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

#### **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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### **Trustees' indemnities**

The Trustees are indemnified in respect of their legal liability for financial losses arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £10,000,000.

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

The Trust will recruit and appoint trustees through a process of fair selection using criteria for selection based on the annual skills audit.

The Members of the company comprise:

- two individual members appointed by the Diocesan Board of Education
- the chairperson of Directors
- any person appointed under Article 16 of the Articles of Association.

The term of office for any director (other than co-opted) shall be 4 years. Subject to remaining eligible to be a particular type of Director, any Director may be reappointed or re-elected.

All Trustees are provided with training on appointment to enable them to undertake their duties as a Trustee. Trustees are subject to Disclosure & Barring Service checks prior to appointment.

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

All Trustees are provided with training on appointment to enable them to undertake their duties as a Trustee. It is expected that incumbent Trustees will provide practical help, guidance and encouragement in all aspects of governance.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

---

### **Organisational structure**

The management structure consists of three levels:

- Members
- Trustees (Directors)
- Local Governing Body

The Members have overall responsibility and ultimate decision making authority for the Multi Academy Trust.

The Trustees retain overall responsibility for strategic planning and setting the Trust's policies.

The Local Governing Bodies have overall responsibility for holding school leaders to account and driving forward improvements in performance, attainment and progress.

The CEO / Executive Headteacher and the Executive Team oversee leadership and management of the Trust.

A scheme of delegation is in place that sets the levels of authority in which all senior staff and trustees operate. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions. The Trust encourage staff contributions at all levels and collaboration between the schools in the Trust.

### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The salary for the CEO will be reviewed on an annual basis subject to performance. The review panel will comprise of the 2 Trustees and an independent person.

The salaries / pay committee, comprising the CEO, and a minimum of 2 Trustees, will review the executive and central management team salaries and performance annually.

### **Trade Union Facility Time**

The Trust does not currently have any members of staff seeking trade union facility time. Trade unions are fully recognised and the Trust contribute towards pooled funds for trade union facility time.

### **Related parties and co-operation with other organisations**

St Silas Church of England Primary School, Heygreen Primary School and Garston C of E Primary School, Shoreside Primary School and Croxteth Primary School work in partnership within wide and varied networks. Including:

- The Dingle, Grandby and Toxteth (D.G.T) collaborative. A local network of 17 Schools within the Liverpool 8 postal code.
- The 5 Ways Learning Network, a local network of 23 schools within the L15 postal code.
- SLLN: South Liverpool Learning Network.
- SLP: Southport Learning Partnership.
- SAPH: Sefton Association of Primary Heads.
- Strategic Partner: St Helens Teaching Schools Alliance and North West Maths Hub 3.
- School Improvement Liverpool, a company where David Cadwallader is employed.
- LLP: Liverpool Learning Partnership
- LPHA: Liverpool Primary Heads Association

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

---

### OBJECTIVES AND ACTIVITIES

The principle objective and activity of the charitable company, in accordance with the Articles of Association, is the strategic management, development, maintenance and operation of the Trust's academies to provide a broad and balanced education for pupils with a range of abilities aged 0 – 11.

The aims of the Academy Trust are to:

- inspire and support our children to reach their full potential so that they can have a positive impact on their world
- instil within all of our children the desire to succeed and drive positive change within themselves and our community
- enable each child to achieve their potential in levels of academic maturity, creativity, physical development and independence
- educate the principles of Christian faith by promoting moral values, understanding and acceptance of other races, religions and ways of life.

### Objectives, strategies and activities

The Academy Trust's main strategic goal is to ensure that our pupils are excited by their learning in the classroom and beyond.

The main objectives of the Academy during the year ended 31 August 2019 are summarised below:

- to ensure that all high attaining children make accelerated progress in reading, writing and maths.
- to accelerate the progress of all Pupil Premium children to ensure the majority reach age related expectation.
- to improve children's speech, language and communication skills so that they have the skills needed to become effective writers.
- to develop the use of AFL across the curriculum so that children are given appropriate feedback to develop their learning.

### Public benefit

We acknowledge as Trustees that the Academy Trust has complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### STRATEGIC REPORT

#### Achievements and performance

School Name	% of pupils meeting expected standard NAT - 65%	Progress score &			% of pupils achieving at a higher standards NAT - 11%	Average score in Reading	Average score in Maths	Average score in Reading NAT - 104	Average score in Maths NAT - 105
		Reading NAT 73%	Writing NAT 78%	Maths NAT 79%					
St Silas Church of England Primary School	75%	75%	82%	96%	4%	6.3	9.0	105	109
Heygreen Primary School	57% *68%	65%	74%	96%	0%	2.7	3.4	102	104
Garston Church of England Primary School	58%	62%	65%	69%	0%	-0.7	-0.2	100	102
Shoreside Primary School	63%	73%	83%	73%	7%	-1.2	0.46	104	105
Croxteth Primary School	40%	50%	60%	52%	0%	-3.5	3.6	99	99

#### Financial review

Most of the Academy's income is obtained from Department for Education in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Trust. The GAG received during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019, total expenditure of £7,408,000 (2018: £4,329,000), was covered by grant funding from the DFE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £11,444,000 (2018: £1,186,000).

At 31 August 2019 the net book value of fixed assets was £16,175,000 (2018: £3,505,000). Movements in tangible fixed assets are shown in notes 13 and 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

#### Reserves policy

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

The Trustees will endeavour to keep an appropriate level of funds in reserve that it considers necessary for future operations and capital projects. Such reserves will provide sufficient working capital to cover delays between spending and receipt of grants and a contingency fund to deal with any unexpected emergencies.

As at 31st August 2019 the level of Trust reserves held in restricted funds not available for general purposes is £11,996,000 (2018: £1,766,000) plus a balance of unrestricted general funds of £918,000 (2018: £725,000) giving a net surplus of £12,914,000 (2018: £2,491,000).

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

---

### Investment policy

The trustees review on an annual basis the need to invest any substantial reserves.

### Key performance indicators

	2019 - 2020
<b>Key Stage 2</b>	St Silas, Heygreen and Shoreside - <b>above national – Leading</b> Garston and St Gabriel's <b>inline with national - Developing</b> Croxteth to have improved to 50% combined - <b>Beginning</b>
<b>Key Stage 1</b>	Increase the percentage of children achieving expected standard in RWM Increased percentage of children achieving GDS in RWM
<b>Early Years</b>	Increase percentage of children achieving ARE so that at least 3 schools are at national (SS, G, ShS)
<b>Phonics</b>	Increase percentage of children passing PSC in Y2
<b>MTC</b>	75 % pass rate or higher across all schools

### Going concern

After making appropriate enquiries, the Trustees consider that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt an ongoing concern basis in preparing the financial statements.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 24 and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2015.

### **Plans for future periods**

The Academy Trust will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students make a smooth and successful transition into secondary education.

The Trust will continue to build capacity to enable it to support additional schools across the Merseyside City Region.

### **Principal risks and uncertainties**

The major risks, to which the academy is exposed, as identified by the Trustees, have been reviewed, and systems and procedures have been established to manage those risks.

The Academy Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the Trust's assets and reputation.

A risk register is maintained and is reviewed annually by the Trustees and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are to be prioritised using a consistent scoring system.

The risk register in place identified and reviewed the following risk areas:

- Safeguarding
- Reputational
- Physical
- Infrastructure
- Governance
- Staffing
- Students
- Financial
- Business continuity



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

---

### Fundraising

The Trust conducts fundraising activities which support income generation including:

- Lettings
- Training events
- School led events
- Support provided by National Leaders of Education and Specialist Leaders of Education employed by the Trust

All fundraising activity is administered via appropriate staff employed by the Trust and support Trust objectives.

Occasionally the Academy Trust engages approved commercial participators within our fundraising activities such as school photography sessions and agency supply where the Trust receives a commission in line with the volume of sales activity.

### AUDITOR

RSM UK Audit LLP have indicated a willingness to remain in office.

Insofar as the Trustees are aware:

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

### Statement as to disclosure of information to auditor

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

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on ... 11 Dec 2019 and signed on its behalf by:

**David Cadwallader**  
Chair of Trustees



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT

---

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Rainbow Education Multi Academy 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 trustees have delegated the day-to-day responsibility to the CEO as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rainbow Education Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the any material weaknesses or breakdown in internal control.

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rainbow Education Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met five times during the year.

Attendance during the year at meetings of the Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Francis Maguire	2	3
Mr Jonathan Nichols	5	5
Mr David Cadwallader (Chairperson)	4	5
Mr Robert White (Resigned 1 August 2019)	1	4
Mr Robert Wyn Jones	3	4
Mrs Lorraine Partington (Vice Chairperson)	3	5
Mr Jonathan Everard	2	4
Miss Sara Ngenda (Appointed 1 October 2018)	1	3
Miss Rajdeep Dosanjh	3	4
Miss Laura Curran	1	4
Mr Chad Thompson	0	5
Mr Henry Mooney	0	5
Ms Nichola James (Appointed 4 December 2018)	0	3
Fr Richard Peers	0	5

### Review of value for money

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

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

- concentrating on the quality of teaching and learning throughout the trust, with this being led by recognised practitioners at each key stage. One outcome can be seen in significantly improved scores reported in this narrative, whilst another is the Outstanding report from OFSTED for St. Silas CE Primary School.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

---

The Trust has focused on targeted improvement linked to the School Development Plan of the Academy to ensure maximum impact on outcomes for pupils in these key areas. This has included ensuring that St Silas Church of England Primary, Heygreen Primary and Garston Church of England deliver the bespoke curriculum to meet the needs of learners, specifically focusing on how school measures the progress and attainment of children given there is no longer any national government guidance regarding attainment levels of children.

St Silas and Heygreen have focused on improving the quality of teaching by ensuring teachers set challenging targets for pupils in English and Mathematics and provide accurate feedback to pupils that helps move their learning forward (Assessment for Learning) when marking children's work. The school has also worked on involving parents and children more in their education so parents understand the attainment and progress measures their child is attaining.

The schools continue to actively promote the wider use of digital media to further engage pupils in their learning and to accelerate their progress across all subjects. Both schools continue to provide experimental learning opportunities for all children to widen their understanding of the world. These experiences have a positive impact on behavior and attainment, especially in writing across the school.

As a result of the increasing emotional and social needs of the children in school, the Academy has appointed a Child Development and Welfare Officer. This bespoke role for a member of staff with the specific skills, qualifications and experience to counsel children and work with families has already had a positive impact on many families.

Outcomes achieved at both St Silas and Heygreen continue to be in line or exceeding national attainment levels. However, the progress children make in both schools remains outstanding.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process, designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rainbow Education Multi Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trusts' significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trust.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts 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.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

---

### Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by Board of Trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on

  
David Cadwallader  
Chairperson

and signed on its behalf by:

  
Jonathan Nichols  
Accounting Officer

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

---

As accounting officer of Rainbow Education Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

Mr Jonathan Nichols  
Accounting Officer



---

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

---

The trustees (who are also the directors of Rainbow Education Multi-Academy Trust for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued 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 trustees to prepare financial statements for each financial year. Under company law, the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 11 Dec 2019 and signed on its behalf by:



David Cadwallader  
Chair of Trustees

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOW EDUCATION MULTI-ACADEMY TRUST**

---

### **Opinion**

We have audited the financial statements of Rainbow Education Multi-Academy Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOW EDUCATION MULTI-ACADEMY TRUST (CONTINUED)

---

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### 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.

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

### Use of our report

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



Karen Musgrave (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE

17/12/19



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

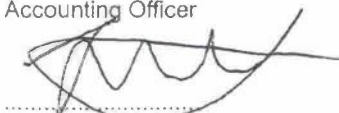
	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	1	-	88	89	21
Donations - transfer from local authority on conversion	26	40	(1,043)	12,800	11,797	1,196
Charitable activities:						
- Funding for educational operations	4	-	6,640	-	6,640	4,025
Other trading activities	5	325	-	-	325	273
Investments	6	1	-	-	1	-
<b>Total</b>		<u>367</u>	<u>5,597</u>	<u>12,888</u>	<u>18,852</u>	<u>5,515</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	10	7,212	186	7,408	4,329
<b>Total</b>	7	<u>10</u>	<u>7,212</u>	<u>186</u>	<u>7,408</u>	<u>4,329</u>
<b>Net income/(expenditure)</b>		357	(1,615)	12,702	11,444	1,186
Transfers between funds	18	(164)	164	-	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(1,021)	-	(1,021)	201
<b>Net movement in funds</b>		193	(2,472)	12,702	10,423	1,387
<b>Reconciliation of funds</b>						
Total funds brought forward		725	(1,739)	3,505	2,491	1,104
Total funds carried forward		<u>918</u>	<u>(4,211)</u>	<u>16,207</u>	<u>12,914</u>	<u>2,491</u>

**RAINBOW EDUCATION MULTI-ACADEMY TRUST****BALANCE SHEET****AS AT 31 AUGUST 2019**

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	13		-		8
Tangible assets	14		16,175		3,497
			<u>16,175</u>		<u>3,505</u>
<b>Current assets</b>					
Debtors	15	451		334	
Cash at bank and in hand		940		754	
		<u>1,391</u>		<u>1,088</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(441)		(338)	
<b>Net current assets</b>			950		750
<b>Net assets excluding pension liability</b>			17,125		4,255
Defined benefit pension scheme liability	23		(4,211)		(1,764)
<b>Total net assets</b>			<u>12,914</u>		<u>2,491</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Restricted fixed asset funds			16,207		3,505
- Restricted income funds			-		25
- Pension reserve			(4,211)		(1,764)
<b>Total restricted funds</b>			<u>11,996</u>		<u>1,766</u>
<b>Unrestricted income funds</b>	18		918		725
<b>Total funds</b>			<u>12,914</u>		<u>2,491</u>

The financial statements on pages 16 to 40 were approved by the board of trustees and authorised for issue on 11/12/19 and are signed on their behalf by:

Jonathan Nichols  
Accounting Officer



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

---

	Notes	2019 £'000	£'000	2018 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		113		307
Cash funds transferred on conversion			40		-
			<hr/>		<hr/>
			153		307
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1		-	
Capital funding received from sponsors and others		88		20	
Purchase of tangible fixed assets		(56)		(53)	
		<hr/>		<hr/>	
<b>Net cash provided by/(used in) investing activities</b>			33		(33)
			<hr/>		<hr/>
<b>Net increase in cash and cash equivalents in the reporting period</b>			186		274
Cash and cash equivalents at beginning of the year			754		480
			<hr/>		<hr/>
<b>Cash and cash equivalents at end of the year</b>			940		754
			<hr/> <hr/>		<hr/> <hr/>

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

##### General information

Rainbow Education Multi-Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

##### Going concern

The trustees 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Croxteth Community Primary School and Shoreside Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in (for net gain) donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

##### Income

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

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies (Continued)

##### Grants

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

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

##### Capital grants

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.

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

##### Sponsorship income

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

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies (Continued)

##### **Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### **Intangible fixed assets and amortisation**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	3 years straight line
-----------------------------	-----------------------

##### **Tangible fixed assets and depreciation**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Computer equipment	25% straight line
Fixtures, fittings and equipment	25% straight line

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies (Continued)

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.

#### **Liabilities**

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

#### **Leased assets**

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

#### **Financial instruments**

The academy trust has chosen to adopt Sections 11 of FRS 102 in full in respect of financial instruments.

#### **Taxation**

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

#### **Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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.

#### **Fund accounting**

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

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

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

#### 2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The Trustees do not consider there to be any areas of judgement that are critical to the Academy Trust's financial statements



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	88	88	20
Other donations	1	-	1	1
	<u>1</u>	<u>88</u>	<u>89</u>	<u>21</u>

The income from donations and capital grants was £89,000 (2018: £21,000) of which £1,000 was unrestricted (2018: £1,000) and £88,000 was restricted fixed assets (2018: £20,000).

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,034	5,034	2,878
Other DfE group grants	-	1,430	1,430	1,009
	<u>-</u>	<u>6,464</u>	<u>6,464</u>	<u>3,887</u>
<b>Other government grants</b>				
Local authority grants	-	176	176	138
	<u>-</u>	<u>6,640</u>	<u>6,640</u>	<u>4,025</u>

The income from funding for educational operations was £6,640,000 (2018: £4,025,000) of which £6,640,000 was restricted (2018: £4,025,000).

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Other income	325	-	325	273
	<u>325</u>	<u>-</u>	<u>325</u>	<u>273</u>

The income from other trading activities was £325,000 (2018: £273,000) of which £325,000 was unrestricted (2018: £273,000).

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Interest from short term deposits	1	-	1	-

The income from funding for investment income was £1,000 (2018: £Nil) of which £1,000 was unrestricted (2018: £Nil).

### 7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2019 £'000	Total 2018 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	4,347	-	152	4,499	2,587
- Allocated support costs	1,175	552	1,182	2,909	1,742
Total support costs	5,522	552	1,334	7,408	4,329

<b>Net income/(expenditure) for the year includes:</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Operating lease rentals	49	44
Depreciation of tangible fixed assets	178	75
Amortisation of intangible fixed assets	8	7
Net interest on defined benefit pension liability	69	39
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	14	12
- Other services	3	3

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Direct costs</b>				
Educational operations	2	4,497	4,499	2,587
<b>Support costs</b>				
Educational operations	8	2,901	2,909	1,742
	10	7,398	7,408	4,329

The expenditure on charitable activities was £7,408,000 (2018: £4,329,000) of which £10,000 was unrestricted (2018: £Nil), £7,212,000 was restricted (2018: £4,247,000) and £186,000 was restricted fixed assets (2018: £82,000).

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities (Continued)

	2019 £'000	2018 £'000
<b>Analysis of support costs</b>		
Support staff costs	1,175	700
Depreciation and amortisation	186	82
Premises costs	366	285
Other support costs	730	450
Governance costs	452	225
	<u>2,909</u>	<u>1,742</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	3,904	2,334
Social security costs	335	196
Pension costs	1,079	511
	<u>5,318</u>	<u>3,041</u>
Staff costs - employed	5,318	3,041
Agency staff costs	151	83
Staff restructuring costs	53	-
	<u>5,522</u>	<u>3,124</u>

Staff restructuring costs comprise:

Severance payments	53	-
	<u>53</u>	<u>-</u>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £52,685 (2018: £8,500). Individually, the payments were: £27,000; £9,851 and £15,834.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 9 Staff (Continued)

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	60	29
Administration and support	140	74
Management	5	6
	<u>205</u>	<u>109</u>

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £518,230 (2018: £477,800).

### 10 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- estates management;

The academy trust charges for these services on the basis of costs incurred.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 10 Central services (Continued)

The amounts charged during the year were as follows:	2019 £'000	2018 £'000
St Silas C of E Primary School	82	96
Heygreen Community Primary School	65	77
Rainbow Trust	-	-
Garston C of E Primary School	60	31
Croxteth Community Primary School	46	-
Shoreside Primary School	38	-
	<u>291</u>	<u>204</u>

#### 11 Trustees' remuneration and expenses

One of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal only receives remuneration in respect of services he provides undertaking the role of principal under his contract of employment, and not in respect of his services as a trustee.

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

J Nichols (executive headteacher):

Remuneration £94,416 (2018: £88,571)

Employer's pension contributions paid £14,357 (2018: £14,597).

Expenses paid to one trustees in relation to travel expenses during the year amounted to £56 (2018: £3,550).

#### 12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 was not separately identifiable, but is included within the total insurance cost.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 13 Intangible fixed assets

	Computer software £'000
<b>Cost</b>	
At 1 September 2018 and at 31 August 2019	22
<b>Amortisation</b>	
At 1 September 2018	14
Charge for year	8
At 31 August 2019	22
<b>Carrying amount</b>	
At 31 August 2019	-
At 31 August 2018	8

#### 14 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2018	3,618	69	23	3,710
Transfer on conversion	12,800	-	-	12,800
Additions	-	30	26	56
At 31 August 2019	16,418	99	49	16,566
<b>Depreciation</b>				
At 1 September 2018	171	36	6	213
Charge for the year	164	11	3	178
At 31 August 2019	335	47	9	391
<b>Net book value</b>				
At 31 August 2019	16,083	52	40	16,175
At 31 August 2018	3,447	33	17	3,497

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Debtors	2019 £'000	2018 £'000
Trade debtors	43	40
VAT recoverable	100	72
Prepayments and accrued income	308	222
	<u>451</u>	<u>334</u>
	<u><u>451</u></u>	<u><u>334</u></u>
16 Creditors: amounts falling due within one year	2019 £'000	2018 £'000
Trade creditors	105	140
Other taxation and social security	85	56
Other creditors	81	52
Accruals and deferred income (see note 17)	170	90
	<u>441</u>	<u>338</u>
	<u><u>441</u></u>	<u><u>338</u></u>
17 Deferred income	2019 £'000	2018 £'000
Deferred income is included within:		
Creditors due within one year	71	63
	<u>71</u>	<u>63</u>
	<u><u>71</u></u>	<u><u>63</u></u>
Deferred income at 1 September 2018	63	24
Released from previous years	(63)	(24)
Resources deferred in the year	71	63
	<u>71</u>	<u>63</u>
<b>Deferred income at 31 August 2019</b>	<u><u>71</u></u>	<u><u>63</u></u>

At the balance sheet date the academy trust was holding funds received in advance for Free Schools Meals, Rates relief and Teachers pay grant.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	25	5,034	(5,223)	164	-
Other DfE / ESFA grants	-	1,430	(1,430)	-	-
Other government grants	-	176	(176)	-	-
Pension reserve	(1,764)	(1,043)	(383)	(1,021)	(4,211)
	<u>(1,739)</u>	<u>5,597</u>	<u>(7,212)</u>	<u>(857)</u>	<u>(4,211)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	1,539	12,800	(82)	-	14,257
DfE group capital grants	1,251	88	(66)	-	1,273
Private sector capital sponsorship	715	-	(38)	-	677
	<u>3,505</u>	<u>12,888</u>	<u>(186)</u>	<u>-</u>	<u>16,207</u>
<b>Total restricted funds</b>	<u>1,766</u>	<u>18,485</u>	<u>(7,398)</u>	<u>(857)</u>	<u>11,996</u>
<b>Unrestricted funds</b>					
General funds	725	367	(10)	(164)	918
<b>Total funds</b>	<u>2,491</u>	<u>18,852</u>	<u>(7,408)</u>	<u>(1,021)</u>	<u>12,914</u>

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

*Restricted general fund*

This fund represents grants received for the Academy's operational activities and development.

*Fixed assets fund*

These grants relate to funding from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

*Other restricted funds*

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

*Unrestricted funds*

This fund primarily relates to income from lettings and teaching school income.



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds (Continued)

#### Funds prior year

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(50)	2,878	(2,803)	-	25
Other DfE / ESFA grants	111	1,009	(1,120)	-	-
Other government grants	30	138	(168)	-	-
Pension reserve	(1,475)	(334)	(156)	201	(1,764)
	<u>(1,384)</u>	<u>3,691</u>	<u>(4,247)</u>	<u>201</u>	<u>(1,739)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	9	1,530	-	-	1,539
DfE group capital grants	1,249	20	(51)	33	1,251
Private sector capital sponsorship	746	-	(31)	-	715
	<u>2,004</u>	<u>1,550</u>	<u>(82)</u>	<u>33</u>	<u>3,505</u>
<b>Total restricted funds</b>	<u>620</u>	<u>5,241</u>	<u>(4,329)</u>	<u>234</u>	<u>1,766</u>
<b>Unrestricted funds</b>					
General funds	484	274	-	(33)	725
<b>Total funds</b>	<u>1,104</u>	<u>5,515</u>	<u>(4,329)</u>	<u>201</u>	<u>2,491</u>

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Funds (Continued)

##### Total funds analysis by academy

	2019	2018
	£'000	£'000
Fund balances at 31 August 2019 were allocated as follows:		
St Silas C of E Primary School	973	599
Heygreen Community Primary School	365	308
Rainbow Trust	(528)	(194)
Garston C of E Primary School	90	37
Croxteth Community Primary School	44	-
Shoreside Primary School	(26)	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	918	750
Restricted fixed asset fund	16,207	3,505
Pension reserve	(4,211)	(1,764)
	<hr/>	<hr/>
Total funds	12,914	2,491
	<hr/> <hr/>	<hr/> <hr/>

##### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
St Silas C of E Primary School	1,225	317	50	401	1,993	1,820
Heygreen Community Primary School	894	164	26	359	1,443	1,436
Rainbow Trust	281	168	-	100	549	462
Garston C of E Primary School	672	193	31	277	1,173	526
Croxteth Community Primary School	733	189	27	207	1,156	-
Shoreside Primary School	541	144	18	205	908	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,346	1,175	152	1,549	7,222	4,244
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	16,175	16,175
Current assets	918	441	32	1,391
Creditors falling due within one year	-	(441)	-	(441)
Defined benefit pension liability	-	(4,211)	-	(4,211)
<b>Total net assets</b>	<b>918</b>	<b>(4,211)</b>	<b>16,207</b>	<b>12,914</b>

	Unrestricted Funds	Restricted funds:		Total Funds
	£'000	General £'000	Fixed asset £'000	£'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Intangible fixed assets	-	-	8	8
Tangible fixed assets	-	-	3,497	3,497
Current assets	758	330	-	1,088
Creditors falling due within one year	(33)	(305)	-	(338)
Defined benefit pension liability	-	(1,764)	-	(1,764)
<b>Total net assets</b>	<b>725</b>	<b>(1,739)</b>	<b>3,505</b>	<b>2,491</b>

#### 20 Commitments under operating leases

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

	2019 £'000	2018 £'000
Amounts due within one year	29	20
Amounts due between one and five years	21	27
	<u>50</u>	<u>47</u>

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

21 Reconciliation of net income to net cash flow from operating activities	2019 £'000	2018 £'000
Net income for the reporting period (as per the statement of financial activities)	11,444	1,186
Adjusted for:		
Net surplus on conversion to academy	(11,797)	(1,196)
Capital grants from DfE and other capital income	(88)	(20)
Interest receivable	(1)	-
Defined benefit pension scheme costs less contributions payable	314	117
Defined benefit pension scheme finance cost	69	39
Depreciation of tangible fixed assets	178	75
Amortisation of intangible fixed assets	8	7
<b>Movements in working capital:</b>		
(Increase) in debtors	(117)	(117)
Increase in creditors	103	216
<b>Net cash provided by operating activities</b>	<u>113</u>	<u>307</u>

### 22 Members' liability

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

### 23 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £571,870 (2018: £276,728).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.5% for employers and 5.5 to 12.5% for employees.

As described in note 26 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

The past service cost of £185,000 (2018: £Nil) recognised in the year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	367	198
Employees' contributions	92	52
Total contributions	459	250

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	22.2	22
- Females	25.0	24.8
Retiring in 20 years		
- Males	25.2	25
- Females	27.9	27.8

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	720	330
Government bonds	144	21
Other bonds	79	75
Cash/liquidity	126	20
Property	45	58
Other assets	295	131
Total fair value of assets	1,409	635

The actual return on scheme assets was £60,000 (2018: £30,000).

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	488	309
Past service cost	185	-
Net interest cost	69	39
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	8	6
	<u>750</u>	<u>354</u>

#### Changes in the present value of defined benefit obligations

	2019 £'000
At 1 September 2018	2,399
Obligations acquired on conversion	1,319
Current service cost	488
Interest cost	101
Employee contributions	92
Actuarial loss/(gain)	1,049
Benefits paid	(13)
Past service cost	185
	<u>5,620</u>

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

	2019 £'000
At 1 September 2018	635
Assets acquired on conversion	276
Interest income	32
Return on plan assets (excluding net interest on the net defined pension liability)	28
Employer contributions	367
Employee contributions	92
Benefits paid	(13)
Administrative expenses	(8)
	<u>1,409</u>

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 24 Related party transactions

All transactions involving related parties or connected parties are in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the trust's financial regulations and normal procurement procedures, unless otherwise stated.

Purchases of £116,731 (2018: £61,795) were made from School Improvements Liverpool, a company where David Cadwallader is employed. Included within trade creditors are amounts of £16,163 (2018: Nil) owed to School Improvements Liverpool.

#### 25 Post balance sheet events

After the year end, St Gabriels C of E Primary School converted to academy trust status and joined Rainbow Education Multi- Academy Trust on 1 September 2019. On this date, pension liabilities acquired were £252,000. An estimate of the fair value of the land and buildings and cash acquired cannot be made at this time.

#### 26 Conversion to an academy

On 1 November 2018 and 1 January 2019 Shoreside Primary School and Croxteth Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Rainbow Education Multi-Academy Trust from the Local Authority for £nil consideration.

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

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

<b>Academy</b>	<b>Location</b>	<b>Date of conversion</b>
Croxteth Community Primary School	Liverpool	1 January 2019
Shoreside Primary School	Sefton	1 November 2018

<b>Net assets transferred:</b>	<b>2019</b>
	<b>£'000</b>
Freehold land and buildings	12,800
Cash	40
Pension scheme deficit	(1,043)
	<hr/>
	11,797
	<hr/> <hr/>



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 26 Conversion to an academy (Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2019
	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	12,800	12,800
LA budget funds	40	-	-	40
LGPS pension funds	-	(1,043)	-	(1,043)
	<u>40</u>	<u>(1,043)</u>	<u>12,800</u>	<u>11,797</u>

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RAINBOW EDUCATION MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 12 July 2018 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Rainbow Education Multi-Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Part 9: Regularity Reporting. We are independent of Rainbow Education Multi-Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of Rainbow Education Multi-Academy Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of Rainbow Education Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

---

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO RAINBOW EDUCATION MULTI-ACADEMY TRUST AND THE  
EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

---

**Use of our report**

This report is made solely to Rainbow Education Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 12 July 2018. Our work has been undertaken so that we might state to the Rainbow Education Multi-Academy Trust and the 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 Rainbow Education Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



**RSM UK Audit LLP**

Chartered accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

Dated: 17/12/19