

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 2016**

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

The Liverpool Diocesan Education Trust  
Hilary Berg  
Henry Mooney

### Trustees

Mr Henry Mooney (Chairperson)  
Mr Chad Thompson  
Ms Hilary Berg  
Mr Francis Maguire (Diocesan Appointment)  
Mr Johnathan Nichols

### Senior management team

- CEO and Executive Headteacher  
- Head of School  
- Head of School  
- Assistant Headteacher

Jonathan Nichols  
Gina Donaldson  
Elaine Holden  
Sarah Knipe

### Company secretary

Mrs Alison Comerford

### Company registration number

09265723 (England and Wales)

### Registered office

St Silas Church of England Primary School  
High Park Street  
Toxteth  
Liverpool  
L8 3TP

### Academies operated

St Silas C of E Primary School  
Heygreen Community Primary School

### Location

Liverpool  
Liverpool

### Principal

Gina Donaldson  
Jonathan Nichols

### 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

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The trustees present their report together with the financial statements and auditor's reports of the charitable company for the period ended 31 August 2016.

The annual report serves the purpose of both the 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 Liverpool. It has a pupil capacity of 575 (*made up of St Silas 305 including Pre Nursery and Heygreen 270 including Pre Nursery*) and had a roll of 518 in July 2016.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Multi Academy Trust is a company limited by guarantee with no share capital (registration no. 09265723) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy.

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

Details of the Trustees who served throughout the year are included 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.

#### Governance

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. 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 re-appointed or re-elected.

During the year under review the Trust met 7 times. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees are DBS checked on appointment.

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 £2,000,000 on any one claim.

#### Principal Business Activities

The academy trust's principal activity is to establish, maintain, carry on, manage and develop schools offering a broad and balanced curriculum (both religious and secular).

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

The charitable company shall appoint up to 6 directors, one of whom shall be the CEO / Executive Headteacher.

1 C.E.O. and Executive Headteacher

2 Diocesan Appointment

3 Community Appointment

4 Community Appointment

5 Community Appointment

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT

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

All new Directors / Trustees are assigned an experienced Trustee mentor to assist them in taking on their new responsibilities. New Directors are also directed to the new governor / trustee training course provided by School Improvement Liverpool.

### **Organisational structure**

The management structure consists of three levels: The Members of the Board of Trustees, Directors and the Local Governing Body.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members of the Academy Trust comprise the signatories' of the memorandum. The members meet periodically to appoint Trustees, to have a strategic direction of the Academy Trust, and to review the progress against the objectives for the Academy Trust.

The Members of the Trust are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of the budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Directors operate in accordance with the documented terms of reference. The Local Governing Body meets twice a term.

The Senior Management Team comprises the CEO / Executive Headteacher, Heads of school and Assistant Headteacher who have the responsibility for implementing the Trustees policies and delivery of the objects of the Articles of Association. In accordance with the Academies Financial Handbook, the Trustees appointed the CEO / Executive Headteacher as the Accounting officer. They also appointed the Principal Finance Officer.

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

There are arrangements for setting pay for senior staff. The salary for the CEO will be reviewed on an annual basis subject to performance. The review panel will comprise of the Chair of the Trust, a Trustee and an independent person. The senior management team salaries and performance will be reviewed annually by the salaries committee comprising the CEO, a director and chair or vice chair of the local governing body.

### **CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

St Silas Church of England Primary School and Heygreen Community Primary School work in partnership within wide and varied networks.

Including:

The Kiezen School Partnership, working collaboratively with a cluster of 10 schools geographically covering Birmingham to Blackpool.

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.

Strategic Partner: St Helens Teaching Schools Alliance and North West Maths Hub 3.

Strategic Partner: to Merseyside SEN Teaching School Alliance – a collaboration of 4 Special Schools located in Sefton and Liverpool.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT

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### OBJECTIVES AND ACTIVITIES

#### Objects, aims and objectives for Public Benefit

The Multi Academy Trust's objects ("the Objects") are specifically restricted to advancing for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include Academies other than those designated Church of England, whether with or without a designated religious character.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy from the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The aims of the Academy Trust are to:

- to inspire and support our children to reach their full potential so that they can have a positive impact on their world
- to install 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 2016 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.

#### PERFORMANCE AGAINST OBJECTIVES

The Multi Academy Trust in its second year of operation has a total of 518 pupils in the year ended 31 August 2016. The Academy has obtained agreement from the Department for Education (DfE) to increase the capacity of the school by half a class. The school admitted 15 students into the Reception class in September 2015 and will continue to do so each academic year, from 2015 until 2020.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Heygreen Attainment and Progress

	<b>Attainment % of children working at expected standard</b>	<b>Progress (Since KS1)</b>
<b>Reading</b>	85%	+2.43
<b>Writing</b>	60%	+0.10
<b>SPAG</b>	65%	
<b>Maths</b>	80%	+1.12
<b>Science</b>	70%	
<b>Combined</b>	45%	

### St Silas Attainment and Progress

	<b>Attainment % of children working at expected standard</b>	<b>Progress (Since KS1)</b>
<b>Reading</b>	52%	-0.31
<b>Writing</b>	52%	-1.05
<b>SPAG</b>	72%	
<b>Maths</b>	64%	+3.00
<b>Science</b>	56%	
<b>Combined</b>	44%	

### **Financial objectives**

The Academy's financial objectives are:

- to achieve an annual operating surplus
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances
- to generate sufficient levels of income to support the asset base of the Academy
- to further improve the Academy's shorter term liquidity
- to fund continued capital investment

These objectives were achieved in the year ending 31 August 2016.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Additional objectives

Initiatives to engage with the wider community have resulted in notable achievements, including:

- refugee work
- Children's University (60+ children graduated)
- Forest Schools, environment / gardening
- Liverpool Hope University, lecturing
- Play leaders, junior and senior leaders
- pupil leadership team
- debating society
- parent life-skills workshops
- to develop a bespoke curriculum to suit the needs of pupils.
- a joint safeguarding conference with NSPCC and the Local Authority.
- SEND conference with outside agencies including CHAMS, NSPCC and PCC.
- shoe box appeal for the Liverpool Homeless Charity.
- food bank donations and promotion.
- taking a lead role in the Local Authority 2 year old integrated review, involving the LA, Diocese and local residents.
- creating a sensory room to benefit children within the community.

### FINANCE REVIEW

#### Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy has expended funds on capital items such as ICT infrastructure and premises. This expenditure will be shown in the restricted fixed asset fund, and the balance therein is reduced by annual depreciation charges over the expected life of the assets concerned.

During the year ended 31 August 2016, expenditure over income for the year (excluding restricted fixed asset funds) was £314,000.

At 31 August 2016 the net book value of fixed assets was £ 2,034,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

#### Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors will look to establish an appropriate level of free reserves. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Monitoring of cash flow during the year indicated that there was never a significant measure of concern, and that by any reasonable method of determining working capital.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Investment Policy**

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

### **Financial position**

The Academy held fund balances at 31 August 2016 of £1,033,000, comprising £57,000 of restricted funds and £308,000 of unrestricted general funds and a pension reserve deficit of £1,366,000. The governors consider the Academy to be a going concern in spite of the insolvent balance sheet as it is due to the LGPS deficit. The Academy has cash reserves and net current assets of £365,000.

### **Risk Management**

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



# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Principal Risks and Uncertainties

The Academy 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 Academy's assets and reputation.

Based on its mission, the management and governors undertake a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions, which mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. Management and Governors will also consider any risks that may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained and being developed. This will be reviewed annually by the Finance Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are to be prioritised using a consistent scoring system. The Academy is working with external accountants who have experience in developing a robust approach to risk management and the systems required to sustain this process.

This is supported by a risk management-training programme to raise awareness of risk throughout the Academy.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed may also adversely affect the Academy.

#### 1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2016, most of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- funding is derived through a number of direct and indirect contractual arrangements
- by ensuring the Academy is rigorous in delivering high quality education and training
- considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

#### 2. Pupil roll

The planned capacity of the Academy is 661 in the age range up to 2- 11 (*made up of St Silas 315 Rec – Y6 plus 45 Nursery, 20 Pre Nursery and 10 Rainbows; Heygreen 210 Rec – Y6 plus 45 Nursery plus 16 Pre Nursery*). EFA funding is directed towards achieving this increase in roll and there is a robust marketing strategy to support this objective.

#### 3. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102 Section 28.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### PLANS FOR FUTURE PERIODS

The Academy 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 maintaining a thirst for learning. The Academy will also increase its recruitment up to its agreed levels, accepting transfers from other schools and Academies into years 7 to 12 where possible.

The Academy aims to provide the following opportunities and developments in the next year:

- extend the learning experiences of all pupils and offer an extension to the length of the school day allowing learners to make accelerated progress.
- develop a recording studio.
- offering local secondary schools to source our facilities and skills
- courses for parents and night school opportunities
- establish an alternative provision to support children with communication and interaction difficulties who attend the academy and other local schools

### Donations

Several small donations were received for the period 1 September 2015 to 31 August 2016.

### PUBLIC BENEFIT, SUSTAINABILITY, SOCIAL AND COMMUNITY ISSUES

#### Public Benefit

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

#### Sustainability

The Academy is committed to sustainable development throughout all aspects of its operation. The Academy will continue to strive to meet or exceed the *Sustainable Development in Government* targets.

#### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires academies, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 September 2015 to 31 August 2016, the Academy paid 97% of its invoices within 30 days which equalled the previous year. The Academy incurred no interest charges in respect of late payment for this period.

### PERFORMANCE INDICATORS

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

The Academy is also monitored through the completion and submission of EFA returns:

- a.) the annual Academies Accounts Return
- b.) the Financial Plan for the period 2016 to 2019
- c.) the annual Financial Management and Governance Evaluation

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Going Concern

After making appropriate enquiries, the Governing Body considers that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt a going concern basis in preparing the financial statements.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 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.

### Auditor

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

The financial statement auditors, RSM UK Audit LLP were deemed reappointed at the annual general meeting.

Approved by order of the board of trustees on *2<sup>nd</sup> December* and signed on its behalf by:  
*2016*

Signed



**Henry Mooney**  
Chairperson

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT

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### SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that the 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.

### Trustees

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees has formally met seven times during the year. Attendance during the year at meetings of the Trustees was as follows:

	Trustee Meetings attended	Out of a possible
Henry Mooney (Chairperson)	7	7
Chad Thompson	4	7
Hilary Berg	6	7
Frank Maguire	7	7
Jonathan Nichols (CEO and accounting officer)	7	7

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process, designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Rainbow Education Multi Academy Trust for the year ended 31 August 2016 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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trust.

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### 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 governing body;
- regular reviews by the Finance 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.

### Governance Statement

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. The Trustees have decided, as permitted by the EFA Financial Handbook for Academies, to outsource this task to professional auditors. On a quarterly basis the auditors report to the trustees on the operation of the systems of control.

### Value for Money

Over the last financial period (September 2015 – August 31<sup>st</sup> 2016) the Rainbow Education Trust has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils within the Academy have continued to improve.

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 both St Silas Church of England Primary and Heygreen Primary 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.

A specific focus in both schools has centered on lesson study. Lesson Study is a Japanese model of teacher-led research in which a triad of teachers work together to target an identified area for development in their students' learning. Using existing evidence, participants collaboratively research, plan, teach and observe a series of lessons, using ongoing discussion, reflection and expert input to track and refine their interventions.

The Japanese Lesson Study model has been advocated in the UK for some time both by the National College for Teaching and Leadership and its predecessor organisations.

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 with national attainment levels, however the progress children makes in both schools remains outstanding.

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# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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

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

Approved by order of the Board of Trustees on 2nd December 16 and signed on its behalf by:

**Signed**



**Henry Mooney**  
Chairperson

**Signed**



**Jonathan Nichols**  
Accounting Officer

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

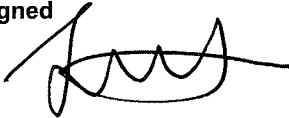
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As accounting officer of the Rainbow Education Multi Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust are able to identify any material irregularity 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 2015.

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 EFA.

Signed



**Jonathan Nichols**  
**Accounting Officer**

2nd December 16

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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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 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 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 Rainbow Education Multi-Academy Trust 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 2015 to 2016;
- 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 the DfE/EFA 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 2<sup>nd</sup> December and signed on its behalf by:  
2016

**Signed**



**Henry Mooney**  
Chairperson



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

**YEAR ENDED 31 AUGUST 2016**

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We have audited the financial statements of Rainbow Education Multi-Academy Trust for the year ended 31 August 2016 set out on pages 18 to 36. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

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.

## **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities set out on page 15, the trustees (who act as trustees for the charitable activities of the charitable company, and 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.

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 (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

## **Opinion on financial statements**

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 2016 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

## **Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAINBOW EDUCATION  
MULTI-ACADEMY TRUST (CONTINUED)**


**YEAR ENDED 31 AUGUST 2016**

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**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:

- the charity has not kept adequate accounting records, 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.



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

Dated: 22/12/16

# RAINBOW EDUCATION MULTI-ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2016 £'000	Total 2015 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	3	-	804	807	7
Donations - transfer from local authority on conversion		-	-	-	-	962
Charitable activities:						
- Funding for educational operations	4	-	2,628	-	2,628	865
Transfer from local authority on conversion				9	9	
Other trading activities	5	94	-	-	94	103
<b>Total income and endowments</b>		<u>97</u>	<u>2,628</u>	<u>813</u>	<u>3,538</u>	<u>1,937</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	-	2,595	35	2,630	1,003
Charitable expenditure - transfer from local authority on conversion		-	444	-	444	-
<b>Total expenditure</b>	<b>6</b>	<u>-</u>	<u>3,039</u>	<u>35</u>	<u>3,074</u>	<u>1,003</u>
<b>Net income/(expenditure)</b>		97	(411)	778	464	934
Transfers between funds		(49)	-	49	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(425)	-	(425)	60
<b>Net movement in funds</b>		48	(836)	827	39	994
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>260</u>	<u>(473)</u>	<u>1,207</u>	<u>994</u>	<u>-</u>
Total funds carried forward		<u>308</u>	<u>(1,309)</u>	<u>2,034</u>	<u>1,033</u>	<u>994</u>