

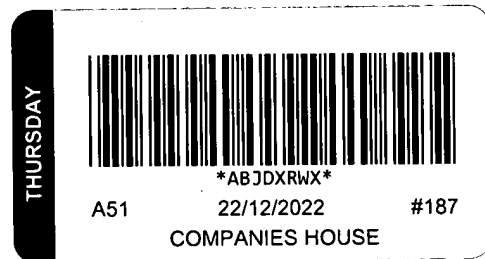
The Rainbow Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2022

Company Registration number: 08909269 (England and Wales)



The Rainbow Multi Academy Trust

Contents

| | |
|--|----------|
| Reference and Administrative Details | 1 to 2 |
| Trustees' Report | 3 to 9 |
| Governance Statement | 10 to 15 |
| Statement of Regularity, Propriety and Compliance | 16 |
| Statement of Trustees' Responsibilities | 17 |
| Independent Auditor's Report on the Financial Statements to the Members of The Rainbow Multi Academy Trust | 18 to 21 |
| Independent Reporting Accountant's Assurance Report on Regularity | 22 to 23 |
| Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account) | 24 to 25 |
| Balance Sheet as at 31 August 2022 | 26 |
| Statement of Cash Flows for the year ended 31 August 2022 | 27 |
| Notes to the Financial Statements | 28 to 55 |

The Rainbow Multi Academy Trust

Reference and Administrative Details

| | |
|--|--|
| Members | P McGovern Askel Veur The Diocese of Truro Academies Umbrella Company Ltd Archdeacon P Bryer The Diocesan Director of Schools for the Diocese of Truro, K Fitzsimmons |
| Trustees (Directors) | P McGovern, (Chair) WT Carter (resigned 6 March 2022) CT Harvey L Seymour GIJ Springer R Webber R Adams R Brokenshire |
| Chief Executive Officer | S Jones |
| Senior Management Team | S Jones, CEO Executive Principal and Accounting Officer A Young, CFO R Bailey, Head of School for Penponds Primary School B Anderson, Headteacher of St Meriadoc CE Junior Academy & St Meriadoc CE Infant Academy JM Lamb, Headteacher of Penponds Primary School S Wilkins, Head of School for Troon CP School (to 1/7/22) and St Ives Infants L Farrar, Headteacher of St Ives Infants L Askew, Head of School for Troon CP School |
| Principal and Registered Office | Unit 2 Marlin House Agar Way Pool Redruth Cornwall TR15 3SF |
| Company Registration Number | 08909269 |
| Independent Auditor | PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro TR1 2NA |

The Rainbow Multi Academy Trust

Reference and Administrative Details (continued)

| | |
|-------------------|--|
| Bankers | Lloyds Bank Plc 29 Commercial Street Camborne Cornwall TR14 8JX |
| Solicitors | Cornwall Council Legal Services Room 458 County Hall Truro Cornwall TR1 3AY |

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates five primary academies in the Camborne area with St Ives Infants having joined the Trust on 1st September 2021. Its five academies for this financial year have a combined pupil capacity of 880 and had 805 children on roll for the October 2021 census.

Structure, Governance and Management

Constitution

The Academy Trust (which was incorporated on 24 February 2014 and opened as an Academy Trust on 1 April 2014) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Rainbow Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Governors' Indemnities

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance is up to £5 million on any one claim.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- no less than 6 Trustees who are appointed by members.
- up to 2 community Trustees appointed by the Trustees.

There shall always be two more Trustees appointed by the members than all other Trustees of the Academy Trust. No employees of the Trust are on the Board

Trustees are appointed for a four year period, subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the board has the necessary skills to contribute fully to the charitable company's development.

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Policies and procedures adopted for the induction and training of Trustees

Trustees have access to all policies, procedures improvement plans, minutes and other relevant documentation that they need to undertake their role as trustee. These are available for Trustees on a secure area within the Academy Trust server. All new Trustees are directed by the Board to Diocesan training.

Organisational Structure

The Rainbow Multi Academy Trust has followed the organisational structure laid down in the Articles of Association that were registered with Companies House on 24 February 2014.

The structure consists of three levels: the members, the Trustees and the management team. The members of the charitable company comprise the signatories of the memorandum, including the chair of Trustees. The members have defined the roles of the Trustees and the committee structure. The members meet annually to hold an Annual General Meeting (AGM).

The finance committee also meets regularly throughout the year. Trustees are also assigned specific areas of focus aligned to the management and administration of the charitable company, or specific teaching and learning links. The governing body committee operate in accordance with documented terms of reference.

The responsibilities of the finance and general purposes committee are carried out by the finance committee.

Arrangements for setting pay and remuneration of key management personnel

The Rainbow Multi- Academy Trust has its own pay policy which follows the School teachers Pay and Conditions Document and works alongside various other pay related policies such as appraisal. The remuneration of its key management personnel is set by the finance committee, to then be agreed by the pay committee. It is determined using the current academies pay policy conditions and is performance linked. The Board will assign the school to a group for the purpose of setting the pay range for the head teachers. This is determined based on a number of factors including the amount of pupils at different key stages and their varying needs. The starting salary is then decided upon based on skills, knowledge and experience.

Head teachers and Heads of School performance management review is carried out by the CEO and agreed by the Pay committee.

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Trade union facility time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|---|---|
| - | - |

Related Parties and other Connected Charities and Organisations

The Rainbow Multi Academy Trust has a connected organisation in the form of Askel Veur The Diocese of Truro Academies Umbrella Company Ltd.

Askel Veur The Diocese of Truro Academies Umbrella Company Ltd is an Umbrella entity providing support to a number of academies including The Rainbow Multi Academy Trust.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of all the schools within The Rainbow Multi Academy Trust to provide education to pupils aged 2 to 11.

The aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

- To continue to raise the standard of educational attainment and achievement of pupils;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective independent learners;
- To develop the Academy Trust sites so they enable students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review; and to provide value for money for the funds expended.

Objectives, Strategies and Activities

The key priorities for the year to 31 August 2022 are summarised below:

- To explore the opportunities to improve the performance of all pupils within the Academy Trust by reviewing the quality of the curriculum and organisational structure;
- To audit the quality of teaching and learning together with leadership and management and standards of achievement in order to identify strengths and weaknesses in all of the schools and to implement appropriate action plans;
- To forge ever closer links with the community within which each school operates;
- To conduct the Academy Trust's business in accordance with high standards of integrity, probity and openness; and
- To ensure the Trust has a comprehensive growth plan

Public Benefit

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

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Strategic Report

Achievements and Performance

Current OFSTED inspection.

| School | Previous Outcome | Current Outcome |
|---------------------|------------------|-----------------------|
| St Meriadoc Infants | Good | Good 21st Feb 2017 |
| St Meriadoc Juniors | Good | Good September 22 |
| Troon | Good | Good October 22 |
| Penponds | | Outstanding 2011 |
| St Ives Infants | Good | Good 2018 |

St Meriadoc Infant Academy

'Staff morale is high and pupils achieve well in an environment where laughter fills the classrooms, echoes down the corridors and cascades around the staffroom'

Troon School

'Troon is a nurturing and inclusive school. Every pupil receives a warm welcome smile at the start of each day'

St Meriadoc Junior Academy

'Pupils really like coming to this friendly, welcoming school. Relationships between pupils and adults are strong and staff know the pupils' families well. Pupils feel safe and know that adults will listen to them if they have any problems.'

St Ives Infants

'Disadvantaged pupils are making good progress currently, and a higher proportion are meeting the expected standards. Differences between this group and other pupils are diminishing significantly.'

MAT related comments

'The support provided by the Rainbow Multi-Academy Trust is developing in its impact. It is now more tightly focused on monitoring standards in the school and holding leaders and governors to account for the progress that different groups of pupils are making.'

Current year Achievements and Performance

Key Stage 2 results are the first set of results following the pandemic. Troon school has shown a significant increase across the subjects and in their combined result. Across all the schools reading was a strength and writing will be a focus for future school improvement.

A DFE approved phonics scheme has been implemented in St Ives Infants school with partial funding sourced from the English Hub. This is already leading to improved outcomes for children.

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Strategic Report

Going Concern

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

Financial Review

The charitable company's accounting period is the year to 31 August 2022.

Most of the charitable company's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2022 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The charitable company also received grants for fixed assets from the ESFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

As shown by the statement of financial activities, before transfers and actuarial gains on defined benefit pension schemes there was a £88,379 (2021: £112,140 surplus) surplus on unrestricted funds, a £1,370,964 (2021: £312,655 deficit) deficit on restricted general funds and a £1,448,017 surplus (2021: £41,119 deficit) on restricted fixed asset funds. The charitable company held fund balances at 31 August 2022 of £4,543,496 (2021: £832,064) comprising £4,410,153 (2021: £2,962,136) of restricted fixed asset funds, £1,200 (2021: £38,408) of restricted funds, £533,143 (2021: £478,520) of unrestricted funds and a pension reserve deficit of £401,000 (2021: £2,647,000).

Reserves Policy

The Rainbow Multi Academy Trust Trustees aim to control reserves to ensure excessive balances are not held at any one time and had reviewed its reserves policy to allow schools to maintain reserves for earmarked projects that fit the school development plan and conditions survey. A panel of independent Trustees will review requests from Heads and Governors to bid for Rainbow reserves to ensure all pupils have fair and equitable learning environments and resources. Trustees will ensure that delegated funds continue to be spent appropriately in the interest of the pupils of The Rainbow Multi Academy Trust.

Trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for The Rainbow Multi Academy Trust. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and The Rainbow Multi Academy Trust finance committee.

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The Academy has entered into an agreement with the LGPS Trustees to make additional annual contributions of £32,000 in addition to normal funding levels in order to bridge the scheme deficit.

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

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Strategic Report

Investment Policy

The Trustees have the ability to invest funds of the Academy Trust as they see fit. Currently the Academy Trust does not have any long term investments, with the cash reserves being held in the current bank account. The Trustees have no plans to make any long-term investments in the near future.

Principal Risks and Uncertainties

The Trustees use several Academy Trust policies, including health and safety, finance, safeguarding and a risk register to evaluate strategic and reputational, operational, compliance and financial risks. The Trustees have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements. The governing body ensure regular review of risks through the reporting provided by the management team to the aforementioned governing body.

The principal risk facing the charitable company is the future level of government funding and pay increases to staff alongside the cost of fuel. This risk is currently managed by careful control over budgeted expenditure which ensures that a deficit does not arise for the year. The Trustees have also self-assessed financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education and Skills Funding Agency in the previous year, and they remain satisfied with the overall assessment.

Fundraising

Our only fundraising activities are in house and entail the sale of small items within the schools either for our own educational purposes or on behalf of other charities. We are not involved in any cold calling or the use of commercial organisations to fundraise on our behalf.

The Rainbow Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2022 (continued)

Strategic Report

Plans for Future Periods

The Academy Trust will continue to strive to improve the level of performance of all pupils at all abilities and will continue its efforts to ensure all pupils are prepared for the next phase of education once they leave the Academy Trust from any school.

In accordance with the Academy Trust's Improvement Plan for 2021-22 (these objectives have carried over from previous Improvement plan due to school closures) the key objectives for the forthcoming year are:

- 1: We have a mission and vision that is relevant, in the changing landscape of education
- 2: Every teacher in every classroom to be as good as they can be, in what they teach and how they teach it.
- 3: All our schools offer a broad and balanced curriculum which meets the needs of all our learners.
- 4: A robust Leadership and Governance structure which has the systems and clear intent to hold each layer
- 5: A strong and capable central team that can deliver School Improvement, Finance, HR and Estates' to account.

The Board of Trustees are aware of the need for the Academy Trust to grow in a planned and sustainable way and we have welcomed St Ives Infant into Rainbow this year.

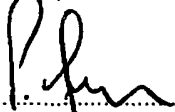

The futures group work with the RSC and the Diocese of Truro to ensure that the due diligence of Bishop Bronescombe, Grampound-with-Creed, Grampound Road, St Michaels, Ladock and Veyan have a smooth transition into the Trust (November 22).

Auditor

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 they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 8/12/22 and signed on the board's behalf by:


.....
P McGovern
Trustee 
Date: 8/12/22
.....

The Rainbow Multi Academy Trust

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Rainbow 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO S Jones, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Rainbow 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 Board of Trustees has formally met 6 times during the year as a Full Board, and 8 times as Committees (Finance & Resources incorporating the Audit & Risk Committee; Standards & Achievement; and Pay) of the Full Board and held 1 AGM, during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------------|------------------------------|------------------------------|
| P McGovern | 6 | 6 |
| R Adams | 5 | 6 |
| CT Harvey | 1 | 2 |
| L Seymour | 5 | 6 |
| R Webber | 5 | 6 |
| WT Carter (resigned 29 April 2021) | 1 | 2 |
| GIJ Springer | 4 | 6 |
| R Brokenshire | 3 | 6 |

The Rainbow Multi Academy Trust

Governance Statement (continued)

Governance reviews

The role of the governing body (which includes trustees and governors) is to have strategic oversight of the Trust and monitor its business on behalf of the Members. This is carried out in accordance with the three core functions as set out in the Governance Handbook (www.gov.uk) as well as the requirements of Charity and Company Law.

The continuing impact of Covid-19 into the 2021/22 financial year has meant that meetings continued to be held remotely, and monitoring visits had to be more carefully planned to ensure triangulation was recorded.

Governance activities which remained constant and unchanged throughout the year are the financial monitoring and support. The finance reports are regular and have enabled the Board to monitor and support any financial requests and demonstrate value for money. Challenges due to the Covid-19 pandemic have been reprioritising budgets to ensure an ongoing safe and clean environment and to support the changes in resources in response to the situation. The focus for the coming year remains the same in terms of maintaining a steady and healthy financial position.

The Board of Trustees' structure has remained fairly static during the year, with one Trustee resigning. The Board conducts an annual skills audit, which evidences it has a balance of the necessary skills and experience to carry out its functions effectively, with a succession plan in place for key roles on the Board. Trustee attendance is monitored and discussed annually and attendance at relevant training is recorded. These tools of self-review ensure appropriate recruitment takes place and the Board members have a strong commitment to the role and to improving outcomes for children. An external governance review has not taken place this year, consideration of the need for this is scheduled for the spring term 2023.

Each sub-committee of the Board comprises at least three trustees, one of whom is the committee chair. Each committee meets at least termly and presents a report of key findings and actions taken to the Board of Trustees.

The purpose of the Finance Committee is to support the Board and management with its financial obligations including budget setting, monitoring and financial processes, it also acts as the Audit & Risk committee to direct and review the Multi Academy Trust's programme of internal and external audit scrutiny and risk management systems. It is skilled at challenging the financial direction of the Multi Academy Trust. Finance decisions are discussed, challenged openly and minuted.

Attendance at meetings during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| R Webber | 4 | 4 |
| GIJ Springer | 3 | 4 |
| P McGovern | 3 | 4 |
| WT Carter | 2 | 3 |
| R Brokenshire | 1 | 2 |
| R Adams | 1 | 1 |

The Rainbow Multi Academy Trust

Governance Statement (continued)

The purpose of the Standards and Achievement Committee is to monitor, evaluate, and report to the Board on the implementation and impact of the Multi Academy Trust's curriculum and the quality of teaching and learning on targets and pupil/student attainment, achievement, standards.

Attendance at meetings during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| P McGovern | 2 | 2 |
| L Seymour | 2 | 2 |
| CT Harvey | 1 | 2 |
| R Adams | 2 | 2 |
| R Brokenshire | 1 | 1 |

The main areas agreed by Trustees for further action and further embedding in governance processes in the year ahead included the following:

- Recruitment of a Governance Lead, to ensure the high standards of governance, communication and support across all the governance levels within the trust.
- The sequencing and timing of Board committees in relation to the workflow and input into the main Trust Board.
- Considerations on improving diversity, equality and inclusion on the Trust Board and throughout the Trust.
- Strengthening links with the Diocese by ensuring foundation governors and Trustees are identified and engaged.

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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

Governors, Senior Management and the Accounting Officer have applied the five principles of best value to improve value for money in the year:

- Challenge - Is each school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does each school's pupil and financial performance compare with all schools nationally, locally and with like establishments.
- Consult - How does each school seek the views of stakeholders about the services the school provides
- Compete - How does each school secure efficient and effective services? Are the services of appropriate quality and are they economic?
- Collaborate - How does the Academy Trust liaise and share best practice with other organisations?

The Rainbow Multi Academy Trust

Governance Statement (continued)

The Governors and Academy Senior Management Team have applied the principles of best value when making decisions about the allocation of resources to best promote the aims and values of the Multi Academy Trust and to improve standards and the quality of provision across the schools in order to meet the needs of all pupils. Some examples are set out below.

Improving educational results

Over the past year the schools have shared the costs of training e.g. Read write Inc training has led to greater teacher confidence in the teaching of phonics across the schools. There has also been SENDco training and network meetings for key curriculum areas to share good practice and move support rapidly to the schools in need.

The National Tutoring Programme has been used across the schools, providing intervention to improve outcomes for pupils. The impact of this intervention has been monitored closely by the Headteachers in each school.

The joint MAT improvement plan has focused on areas which are priorities across the five schools in order to allow for economies of scale to be planned in from the very beginning.

An audit of staff skills has been updated so that future CPD can be targeted and can be led by our own staff.

A constant development of the centralisation of finance function has allowed for further financial efficiencies and given us a clearer oversight of the purchasing needs across the Trust This has helped us to focus on improving the effectiveness of procured services provision and giving higher bargaining power for procurement to increase efficiencies. Further Improvements have been made to the central finance function this year by moving to a single bank account which has led to greater efficiencies within the administration processes. GAG pooling has been implemented within year enabling us to allocate funds more fairly and according to need across our academies. These developments mean we are able to adapt easily which has helped with our incorporation of St Ives Infant school this year along with welcoming 6 new schools in the coming year.

Financial Performance

The role of CFO and premises managers has meant that we are able to 'shop around' to ensure that we get the right services for us at the best possible price e.g. cost from supply agencies, staff insurance and training for Reading

The CFO has oversight of the processes and budgets in all five schools and is therefore able to assist and advise the Accounting Officer when deciding if best value and consistency has been achieved across all financial areas. The central role of MAT Business manager has increased consistency and best value further whilst also exploring other funding opportunities.

Income Generation

The MAT generates a significant amount of income through wrap around care and Early Years education. Charging for extra nursery provision and providing before and after school care enables the schools to supplement their budgets and provide better facilities and resources for all of its pupils. This is looking to extend in the coming year with the possibility of increasing 2 year old provision across the MAT.

The MAT host trainee teachers which also generates income. The trust also runs a number of training programs which we sell places on to other schools

The CEO also works as an NPQ facilitator in order to generate income.

The Rainbow Multi Academy Trust

Governance Statement (continued)

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 Multi 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 Multi Academy Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and resources 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.

Monthly management reports produced by the CFO are shared via email with the Trustees and presented to the finance committee at the meetings.

The Board of Trustees have considered the need for a specific internal audit function and have appointed Fusion Financial Management as the internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

The auditor has delivered their schedule of work as planned, there were no material control issues arising as a result of the reviewer's work.

The Rainbow Multi Academy Trust

Governance Statement (continued)

Conflicts of Interest

All Trustees, Local Governing Bodies and staff with significant financial spending power are required to declare any financial interests they have.

All business interests should be declared such as Shareholdings, Directorships or other positions of influence held, including relevant business interest of close family members. Where an interest has been declared the individual shall not attend that part of any committee or other meeting.

A register of all declarations is held and this is published on the Trust's website.

Review of Effectiveness

As accounting officer, S Jones 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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on .. 8/12/22 . and signed on its behalf by:


P McGovern

Trustee / Director


S Jones

Chief Executive Officer

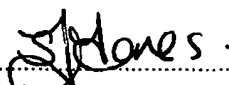
The Rainbow Multi Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Rainbow Multi Academy Trust I have considered my responsibility to notify the Multi 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 Multi Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021

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

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


.....
S Jones
Accounting officer

Date: 8/12/22
.....

The Rainbow Multi Academy Trust

Statement of Trustees' Responsibilities

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

Company law requires the 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:

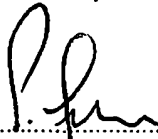
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 grants received from the 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 8/12/22, and signed on its behalf by:


.....
P McGovern
Trustee / Director

The Rainbow Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Rainbow Multi Academy Trust

Opinion

We have audited the financial statements of The Rainbow Multi Academy Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and 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 and 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'.

In our opinion the financial statements:

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

Basis of 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 Multi Academy Trust 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

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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.

The Rainbow Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Rainbow Multi Academy Trust (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 17], the Trustees 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 Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

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

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

The Rainbow Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Rainbow Multi Academy Trust (continued)

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the education sector in which it operates to identify the key laws and regulations affecting the entity. The key laws and regulations we identified were compliance with the funding agreement and Academy Trust Handbook 2021 and requirements with regard to safeguarding.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Academies Accounts Direction 2021/22, Companies Act 2006 and Charities Act 2011.

We discussed with management how the compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- conducting detailed regularity testing in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts as issued by the ESFA, as reported on separately in our Independent Reporting Accountant's Assurance Report;
- reviewed Board and Finance Committee minutes for indications of non compliance;
- reviewed legal and professional costs to identify legal costs in respect of non compliance;
- discussed the procedures in place for ensuring the safeguarding of pupils, including DBS checks and identified those staff and governors with responsibility for overseeing these areas;
- reviewed the accounts disclosures against those in the Academies Model Accounts 2021 to 2022, published by the ESFA.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud of which there were none.

We evaluated the risk of fraud through incorrectly claimed expenses and unauthorised payments. We also evaluated the risk of fraud through management override including that arising from management's incentives. We determined that these risks are low as the Multi Academy Trust operates on a charitable, not for profit basis and so there would be no motivation for management to influence performance for individual gain. However there was considered a risk of the inappropriate allocation of expenditure against restricted funds.

The Rainbow Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Rainbow Multi Academy Trust (continued)

In response to the identified risk, as part of our audit work we:

- reviewed the material restricted grant income sources, identified the related conditions and reviewed the nature of expenditure set against it for appropriateness, together with sample testing on expenditure;
- used data analytics to test journal entries throughout the period, for appropriateness; and
- reviewed accounting estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

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

PKF Francis Clark

.....
Darren Perry BA (Hons) ACA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
TR1 2NA

Date: 20 December 2022

The Rainbow Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Rainbow Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 December 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Rainbow Multi Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Rainbow Multi Academy Trust's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of The Rainbow Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2014 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

The Rainbow Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Rainbow Multi Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

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

PKF Francis Clark

.....
Reporting Accountant
PKF Francis Clark, Chartered Accountants

Lowin House
Tregolls Road
Truro
TR1 2NA

Date: 20 December 2022
.....

The Rainbow Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2021/22 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 3 | 6,795 | - | 113,808 | 120,603 |
| Academy Trust transfer in | | 4,905 | (700,724) | 1,486,624 | 790,805 |
| Other trading activities | 5 | 103,700 | - | - | 103,700 |
| Investments | 6 | 81 | - | - | 81 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy Trust's charitable operations | 4 | 146,967 | 4,896,878 | - | 5,043,845 |
| Total | | 262,448 | 4,196,154 | 1,600,432 | 6,059,034 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 4,030 | - | - | 4,030 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 8 | 170,039 | 5,567,118 | 152,415 | 5,889,572 |
| Total | | 174,069 | 5,567,118 | 152,415 | 5,893,602 |
| Net income/(expenditure) | | 88,379 | (1,370,964) | 1,448,017 | 165,432 |
| Transfers between funds | | (33,756) | 33,756 | - | - |
| Other recognised gains and losses | | | | | |
| Actuarial gain/(loss) on defined benefit pension schemes | 27 | - | 3,546,000 | - | 3,546,000 |
| Net movement in funds | | 54,623 | 2,208,792 | 1,448,017 | 3,711,432 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2021 | | 478,520 | (2,608,592) | 2,962,136 | 832,064 |
| Total funds/(deficit) carried forward at 31 August 2022 | | 533,143 | (399,800) | 4,410,153 | 4,543,496 |

The Rainbow Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total 2020/21 £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 3 | 407 | - | 68,273 | 68,680 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy | | | | | |
| Trust's charitable operations | 4 | 75,564 | 3,823,215 | - | 3,898,779 |
| Other trading activities | 5 | 48,058 | - | - | 48,058 |
| Investments | 6 | 81 | - | - | 81 |
| Total | | 124,110 | 3,823,215 | 68,273 | 4,015,598 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 1,290 | - | - | 1,290 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 8 | 10,680 | 4,135,870 | 109,392 | 4,255,942 |
| Total | | 11,970 | 4,135,870 | 109,392 | 4,257,232 |
| Net income/(expenditure) | | 112,140 | (312,655) | (41,119) | (241,634) |
| Transfers between funds | | (90,698) | 67,063 | 23,635 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gain/(loss) on defined benefit pension schemes | 27 | - | (649,000) | - | (649,000) |
| Net movement in funds/(deficit) | | 21,442 | (894,592) | (17,484) | (890,634) |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2020 | | 457,078 | (1,714,000) | 2,979,620 | 1,722,698 |
| Total funds/(deficit) carried forward at 31 August 2021 | | 478,520 | (2,608,592) | 2,962,136 | 832,064 |

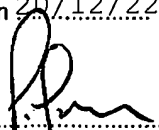
The Rainbow Multi Academy Trust

(Registration number: 08909269)

Balance Sheet as at 31 August 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 4,434,950 | 2,944,171 |
| Current assets | | | |
| Debtors | 14 | 253,703 | 196,828 |
| Cash at bank and in hand | | <u>682,987</u> | <u>628,728</u> |
| | | 936,690 | 825,556 |
| Creditors: Amounts falling due within one year | 15 | <u>(409,044)</u> | <u>(278,242)</u> |
| Net current assets | | <u>527,646</u> | <u>547,314</u> |
| Total assets less current liabilities | | 4,962,596 | 3,491,485 |
| Creditors: Amounts falling due after more than one year | 16 | <u>(18,100)</u> | <u>(12,421)</u> |
| Net assets excluding pension liability | | 4,944,496 | 3,479,064 |
| Defined benefit pension scheme liability | 27 | <u>(401,000)</u> | <u>(2,647,000)</u> |
| Total net assets | | <u>4,543,496</u> | <u>832,064</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | 1,200 | 38,408 |
| Restricted fixed asset fund | | 4,410,153 | 2,962,136 |
| Restricted pension fund | | <u>(401,000)</u> | <u>(2,647,000)</u> |
| | | 4,010,353 | 353,544 |
| Unrestricted funds | | | |
| Unrestricted general fund | | <u>533,143</u> | <u>478,520</u> |
| Total funds | | <u>4,543,496</u> | <u>832,064</u> |

The financial statements on pages 24 to 55 were approved by the Trustees and authorised for issue on 20/12/22 and are signed on their behalf by:



 P McGovern
 Trustee / **DIRECTOR**

The Rainbow Multi Academy Trust

Statement of Cash Flows for the year ended 31 August 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 125,509 | 55,265 |
| Cash flows from investing activities | 23 | (81,210) | (25,084) |
| Cash flows from financing activities | 22 | <u>9,960</u> | <u>(7,059)</u> |
| Change in cash and cash equivalents in the year | | 54,259 | 23,122 |
| Cash and cash equivalents at 1 September | | <u>628,728</u> | <u>605,606</u> |
| Cash and cash equivalents at 31 August | 24 | <u><u>682,987</u></u> | <u><u>628,728</u></u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

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

Basis of preparation

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

The Rainbow Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

Income

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

Grants

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

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

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

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Multi 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 Multi Academy Trust's educational operations, including support costs and costs relating to the governance of the Multi Academy Trust apportioned to charitable activities.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

In the case of the school land and buildings at St Meriadoc CE Infant and Junior Academy, the Trust has a licence to occupy, evidenced by supplemental agreements between the academy trust, the Diocese and the Secretary of State. Having perused the arrangement with the Diocese, the trustees have concluded that control of the school land and buildings is retained by the Diocese and hence no land and building assets are recognised on the balance sheet. Any capital improvement work undertaken to these buildings are recognised as leasehold property improvements, capitalised and depreciated over the expected useful life. As a notional rental charge cannot be reliably measured for the value of the Diocese land and buildings, no such entries have been included in the accounts.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

| Asset class | Depreciation method and rate |
|-----------------------|-------------------------------------|
| Leasehold property | 2% per annum on cost |
| Computer equipment | 33% per annum on cost |
| Furniture & equipment | 10% - 20% per annum on cost |

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 Multi 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 under operating leases are charged on a straight-line basis over the lease term.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Multi 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 Multi 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.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Multi Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Multi Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi 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 credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Multi Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Multi 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 the funders where the asset acquired or created is held for a specific purpose.

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

Concessionary loans

Concessionary loans are loans provided at below market rates and are recognised in the accounts at the amount received with the carrying value adjusted to reflect repayments made in subsequent periods. The only concessionary loans in the accounts are Salix loans (see note 15 & 16) and are interest free.

Critical accounting estimates and areas of judgement

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.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Multi 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 valuation of land and buildings transferred on conversion to an Multi Academy Trust. The Trustees use all information available including valuations reports and benchmarking these valuations to determine the fair value.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Trust has two schools that occupy property owned by the Diocese of Truro of which a peppercorn rent is payable. No valuation has been included in the financial statements to recognise the value of the properties because there is no lease or licence in place that recognises the Trust's right to occupy the said properties.

2 General Annual Grant (GAG)

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

3 Donations and capital grants

| | Unrestricted funds £ | Restricted fixed asset funds £ | 2021/22 Total £ | 2020/21 Total £ |
|-------------------------------|----------------------------|---|-----------------------|-----------------------|
| Other voluntary income | | | | |
| Capital grants | - | 113,808 | 113,808 | 68,273 |
| Other donations | 6,795 | - | 6,795 | 407 |
| | <u>6,795</u> | <u>113,808</u> | <u>120,603</u> | <u>68,680</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

4 Funding for the Academy Trust's charitable operations

| | Unrestricted funds £ | Restricted funds £ | Total 2021/22 £ | Total 2020/21 £ |
|---|----------------------------|--------------------------|-----------------------|-----------------------|
| DfE/ESFA revenue grants | | | | |
| General annual grant (GAG) | - | 3,729,655 | 3,729,655 | 2,835,873 |
| Other DfE / ESFA grants | - | 170,199 | 170,199 | 230,022 |
| UIFSM | - | 114,815 | 114,815 | 89,405 |
| Pupil Premium | - | 331,197 | 331,197 | 257,710 |
| | - | 4,345,866 | 4,345,866 | 3,413,010 |
| Other government grants | | | | |
| Local authority grants | - | 550,912 | 550,912 | 359,245 |
| Non-government grants and other income | | | | |
| Other incoming resources | 146,967 | 100 | 147,067 | 75,564 |
| Additional Covid-19 income | | | | |
| Covid Catch Up | - | - | - | 50,960 |
| Total grants | <u>146,967</u> | <u>4,896,878</u> | <u>5,043,845</u> | <u>3,898,779</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Other trading activities

| | Unrestricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|-------------------|----------------------------|-----------------------|-----------------------|
| School shop sales | 4,439 | 4,439 | 5,132 |
| Other income | 99,261 | 99,261 | 42,926 |
| | <u>103,700</u> | <u>103,700</u> | <u>48,058</u> |

6 Investment income

| | Unrestricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|---------------------|----------------------------|-----------------------|-----------------------|
| Short term deposits | <u>81</u> | <u>81</u> | <u>81</u> |

7 Expenditure

| | Non-Pay Expenditure | | | 2021/22 Total £ | 2020/21 Total £ |
|---|---------------------|----------------|------------------|-----------------------|-----------------------|
| | Staff costs £ | Premises £ | Other costs £ | | |
| Expenditure on raising funds | | | | | |
| Allocated support costs | - | - | 4,030 | 4,030 | 1,290 |
| Academy's educational operations | | | | | |
| Direct costs | 3,420,218 | - | 286,691 | 3,706,909 | 2,743,780 |
| Allocated support costs | <u>1,165,831</u> | <u>498,052</u> | <u>518,780</u> | <u>2,182,663</u> | <u>1,512,162</u> |
| | <u>4,586,049</u> | <u>498,052</u> | <u>809,501</u> | <u>5,893,602</u> | <u>4,257,232</u> |

2020/21 expenditure totalling £161,365 has been reclassified from direct to support costs.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

| | 2021/22 £ | 2020/21 £ |
|---|--------------|--------------|
| Operating lease rentals | 5,350 | 5,096 |
| Depreciation | 152,415 | 109,392 |
| Fees payable to auditor - audit | 19,180 | 6,150 |
| - other audit services | 5,900 | 5,000 |
| Net interest on defined benefit pension liability | 60,000 | 32,000 |

8 Charitable activities

| | | Total 2021/22 £ | Total 2020/21 £ |
|--|--------------------------------|-----------------------|-----------------------|
| Direct costs - educational operations | | 3,706,909 | 2,743,780 |
| Support costs - educational operations | | <u>2,182,663</u> | <u>1,512,162</u> |
| | | <u>5,889,572</u> | <u>4,255,942</u> |
| | Educational operations £ | Total 2021/22 £ | Total 2020/21 £ |
| Analysis of support costs | | | |
| Support staff costs | 1,165,831 | 1,165,831 | 849,543 |
| Depreciation | 152,415 | 152,415 | 109,392 |
| Technology costs | 64,762 | 64,762 | 32,843 |
| Premises costs | 345,637 | 345,637 | 210,188 |
| Other support costs | 428,929 | 428,929 | 299,046 |
| Governance costs | 25,089 | 25,089 | 11,150 |
| Total support costs | <u>2,182,663</u> | <u>2,182,663</u> | <u>1,512,162</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Staff

Staff costs

| | 2021/22 £ | 2020/21 £ |
|--|------------------|------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 2,804,951 | 2,345,492 |
| Social security costs | 236,638 | 186,121 |
| Operating costs of defined benefit pension schemes | 1,078,417 | 766,639 |
| | <u>4,120,006</u> | <u>3,298,252</u> |
| Supply staff costs | 388,973 | 110,420 |
| Staff restructuring costs | 77,070 | 16,140 |
| | <u>4,586,049</u> | <u>3,424,812</u> |
| | 2021/22 £ | 2020/21 £ |
| Staff restructuring costs comprise: | | |
| Redundancy payments | 8,405 | 16,140 |
| Severance payments | 68,665 | - |
| | <u>77,070</u> | <u>16,140</u> |

Severance payments

The academy trust paid 6 severance payments in the year, disclosed in the following bands:

| | |
|-------------------|---|
| 0 - £25,000 | 5 |
| £25,001 - £50,000 | 1 |

Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £34,801 (2021:£Nil). Individually, the payments were: £15,367, £10,194, £6,160 and £3,080.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Staff (continued)

Staff numbers

The average number of persons (including senior management team) employed by the Multi Academy Trust during the year was as follows:

| | 2021/22 No | 2020/21 No |
|------------------------------|---------------|---------------|
| Charitable Activities | | |
| Teachers | 36 | 33 |
| Administration and support | 105 | 90 |
| Management | <u>6</u> | <u>6</u> |
| | <u>147</u> | <u>129</u> |

Higher paid staff

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

| | 2021/22 No. | 2020/21 No. |
|-------------------|----------------|----------------|
| £60,001 - £70,000 | 2 | 2 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | <u>2</u> | <u>1</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Staff (continued)

Key management personnel

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £607,192 (2021: £464,806).

10 Central services

The academy trust charges for the following services:

- Finance and administration support
- Legal and professional costs
- IT support
- Human resources support

The full costs of the provision of central services, net of income received centrally, is recharged to the academies proportionally at a flat rate of 5.5% (2021: 5.5%) of GAG income plus recharges of buildings insurance and payroll costs.

The actual amounts charged during the year were as follows:

| | 2021/22 £ | 2020/21 £ |
|-------------------------------|----------------|----------------|
| Penponds Primary School | 29,601 | 27,481 |
| St Meriadoc CE Infant Academy | 49,812 | 50,373 |
| St Meriadoc CE Junior Academy | 57,999 | 52,552 |
| Troon CP School | 39,348 | 38,580 |
| St Ives Infant School | 40,134 | - |
| | <u>216,894</u> | <u>168,986</u> |

The Trust pooling policy was implemented as at 31 August 2022 as a result no recharges will be made going forwards.

11 Related party transactions - Trustees' remuneration and expenses

No Trustees has been paid remuneration or has received other benefits from an employment with the Multi Academy Trust. During the year no expenses were reimbursed to Trustees.

Other related party transactions involving the Trustees are set out in note 28.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Multi Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Multi Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2022 was £152 (2021 - £150). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

| | Leasehold property £ | Assets under construction £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|-----------------------|----------------------------|--------------------------------------|------------------------------------|----------------------------|------------|
| Cost | | | | | |
| At 1 September 2021 | 3,250,669 | 11,476 | 271,306 | 241,707 | 3,775,158 |
| Additions | 146,641 | 7,877 | 17,896 | 22,685 | 195,099 |
| Transfers | 1,819,189 | - | 24,423 | 39,688 | 1,883,300 |
| At 31 August 2022 | 5,216,499 | 19,353 | 313,625 | 304,080 | 5,853,557 |
| Depreciation | | | | | |
| At 1 September 2021 | 391,293 | - | 221,300 | 218,394 | 830,987 |
| Charge for the year | 98,961 | - | 29,538 | 23,916 | 152,415 |
| Transfers | 390,457 | - | 13,026 | 31,722 | 435,205 |
| At 31 August 2022 | 880,711 | - | 263,864 | 274,032 | 1,418,607 |
| Net book value | | | | | |
| At 31 August 2022 | 4,335,788 | 19,353 | 49,761 | 30,048 | 4,434,950 |
| At 31 August 2021 | 2,859,376 | 11,476 | 50,006 | 23,313 | 2,944,171 |

14 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 14,641 | 10,667 |
| Prepayments | 33,853 | 58,112 |
| Accrued grant and other income | 58,065 | 52,385 |
| VAT recoverable | 147,144 | 75,664 |
| | <u>253,703</u> | <u>196,828</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 177,988 | 116,108 |
| Other taxation and social security | 68,275 | 43,335 |
| Other creditors | 70,728 | 55,467 |
| Loans | 9,309 | 7,059 |
| Accruals | 22,775 | 12,570 |
| Deferred income | 59,969 | 43,703 |
| | <u>409,044</u> | <u>278,242</u> |

| | 2022 £ | 2021 £ |
|--|-----------------|-----------------|
| Deferred income | | |
| Deferred income at 1 September 2021 | 43,703 | 94,779 |
| Resources deferred in the period | 59,969 | 43,703 |
| Amounts released from previous periods | <u>(43,703)</u> | <u>(94,779)</u> |
| Deferred income at 31 August 2022 | <u>59,969</u> | <u>43,703</u> |

At the balance sheet date the Multi Academy Trust was holding funds of £59,969 (2021: £43,703) received in advance in respect of Universal Free School Meals.

16 Creditors: amounts falling due after one year

| | 2022 £ | 2021 £ |
|-------|---------------|---------------|
| Loans | <u>18,100</u> | <u>12,421</u> |

Included within Loans is 3 Salix Energy Efficiency Fund (SEEF) loans totalling £10,391 repayable in bi-annual instalments over 5-6 years with an applicable annual interest rate of 0% and 2 loans from DfE Urgent Capital Support fund totalling £17,018 repayable in monthly installments over 10 years with an interest rate of 2.22%/2.29% p.a.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|-------------------------------------|---|------------------|--------------------|---|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 3,794,899 | (3,828,655) | 33,756 | - |
| Other Grants | 36,008 | 170,318 | (205,126) | - | 1,200 |
| Other government grants | 2,400 | 550,912 | (553,312) | - | - |
| Pupil Premium | - | 331,197 | (331,197) | - | - |
| UIFSM | - | 114,815 | (114,815) | - | - |
| Other Non grant | - | 5,013 | (5,013) | - | - |
| | <u>38,408</u> | <u>4,967,154</u> | <u>(5,038,118)</u> | <u>33,756</u> | <u>1,200</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 1,620,008 | 994,455 | (55,411) | - | 2,559,052 |
| DfE group capital grants | 1,197,606 | 587,789 | (72,669) | - | 1,712,726 |
| Capital expenditure from GAG | 129,864 | 15,402 | (21,564) | - | 123,702 |
| Other capital income | 6,045 | 2,786 | (2,602) | - | 6,229 |
| Local Authority Capital Grant | 8,613 | - | (169) | - | 8,444 |
| | <u>2,962,136</u> | <u>1,600,432</u> | <u>(152,415)</u> | <u>-</u> | <u>4,410,153</u> |
| Restricted pension funds | | | | | |
| Pension Reserve | <u>(2,647,000)</u> | <u>(771,000)</u> | <u>(529,000)</u> | <u>3,546,000</u> | <u>(401,000)</u> |
| Total restricted funds | 353,544 | 5,796,586 | (5,719,533) | 3,579,756 | 4,010,353 |
| Unrestricted funds | | | | | |
| Unrestricted general funds | <u>478,520</u> | <u>262,448</u> | <u>(174,069)</u> | <u>(33,756)</u> | <u>533,143</u> |
| Total funds | <u>832,064</u> | <u>6,059,034</u> | <u>(5,893,602)</u> | <u>3,546,000</u> | <u>4,543,496</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

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

Restricted general funds - The restricted general fund includes grants receivable from the Education and Skills Funding Agency and the Department for Education towards the principal activity of the Multi Academy Trust, being the provision of education. Other grants include funding received from the LA in respect of SEN and Nursery.

Restricted fixed asset funds - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to The Rainbow Multi Academy Trust on 1 April 2014, leasehold property and furniture and equipment transferred on 1 September 2021 in respect of St Ives Infant school and Education and Skills Funding Agency grants which have been received. The fund is being reduced by depreciation in the year.

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

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|---|------------------|--------------------|---|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 2,835,873 | (2,901,575) | 65,702 | - |
| Other Grants | 15,000 | 589,267 | (565,019) | (840) | 38,408 |
| Pupil Premium | - | 257,710 | (257,710) | - | - |
| UIFSM | - | 89,405 | (89,405) | - | - |
| Covid Catch Up | - | 50,960 | (53,161) | 2,201 | - |
| | <u>15,000</u> | <u>3,823,215</u> | <u>(3,866,870)</u> | <u>67,063</u> | <u>38,408</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 1,657,891 | - | (37,883) | - | 1,620,008 |
| DfE group capital grants | 1,150,121 | 68,273 | (44,423) | 23,635 | 1,197,606 |
| Capital expenditure from GAG | 154,251 | - | (24,387) | - | 129,864 |
| Other capital income | 8,575 | - | (2,530) | - | 6,045 |
| Local Authority Capital Grant | 8,782 | - | (169) | - | 8,613 |
| | <u>2,979,620</u> | <u>68,273</u> | <u>(109,392)</u> | <u>23,635</u> | <u>2,962,136</u> |
| Restricted pension funds | | | | | |
| Pension Reserve | <u>(1,729,000)</u> | <u>-</u> | <u>(269,000)</u> | <u>(649,000)</u> | <u>(2,647,000)</u> |
| Total restricted funds | 1,265,620 | 3,891,488 | (4,245,262) | (558,302) | 353,544 |
| Unrestricted funds | | | | | |
| Unrestricted general funds | <u>457,078</u> | <u>124,110</u> | <u>(11,970)</u> | <u>(90,698)</u> | <u>478,520</u> |
| Total funds | <u>1,722,698</u> | <u>4,015,598</u> | <u>(4,257,232)</u> | <u>(649,000)</u> | <u>832,064</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 £ | 2021 £ |
|---|-----------|-------------|
| St Meriadoc CE Infant Academy | - | 172,482 |
| St Meriadoc CE Junior Academy | - | 324,932 |
| Troon CP School | - | 14,611 |
| Penponds Primary School | - | 28,925 |
| St Ives Infant School | - | - |
| Central services | 534,343 | (24,022) |
| Total before fixed assets and pension reserve | 534,343 | 516,928 |
| Defined benefit pension scheme | (401,000) | (2,647,000) |
| Restricted fixed asset funds | 4,410,153 | 2,962,136 |
| | 4,009,153 | 315,136 |
| Total | 4,543,496 | 832,064 |

During the year a pooling policy was implemented by the Academy Trust therefore all reserves are shown within central services for 2022.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

Total cost analysis by academy

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

| | Teaching and Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ | Other Costs (excluding Depreciation) £ | Total 2022 £ |
|-------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| St Meriadoc CE Junior Academy | 828,132 | 108,833 | 31,922 | 236,661 | 1,205,548 |
| Troon CP School | 627,768 | 68,857 | 21,654 | 192,038 | 910,317 |
| Penponds Primary School | 530,563 | 47,176 | 12,133 | 141,609 | 731,481 |
| St Meriadoc CE Infant Academy | 681,943 | 239,750 | 12,586 | 193,916 | 1,128,195 |
| St Ives Infant School | 687,055 | 128,772 | 29,979 | 160,919 | 1,006,725 |
| Central services | 64,756 | 572,440 | 592 | 12,132 | 758,921 |
| Academy Trust | <u>3,420,217</u> | <u>1,165,828</u> | <u>108,866</u> | <u>937,275</u> | <u>5,741,187</u> |

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

| | Teaching and Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ | Other Costs (excluding Depreciation) £ | Total 2021 £ |
|-------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| St Meriadoc CE Junior Academy | 791,646 | 76,555 | 30,276 | 131,163 | 1,029,640 |
| Troon CP School | 665,588 | 70,499 | 12,927 | 162,456 | 911,470 |
| Penponds Primary School | 430,642 | 54,749 | 19,252 | 110,566 | 615,209 |
| St Meriadoc CE Infant Academy | 800,734 | 128,358 | 31,296 | 144,605 | 1,104,993 |
| Central services | 56,075 | 349,966 | 1,948 | 78,539 | 486,528 |
| Academy Trust | <u>2,744,685</u> | <u>680,127</u> | <u>95,699</u> | <u>627,329</u> | <u>4,147,840</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|-------------------------------------|---|------------------|
| Tangible fixed assets | 24,797 | - | 4,410,153 | 4,434,950 |
| Current assets | 878,625 | 58,065 | - | 936,690 |
| Current liabilities | (352,179) | (56,865) | - | (409,044) |
| Creditors over 1 year | (18,100) | - | - | (18,100) |
| Pension scheme liability | - | (401,000) | - | (401,000) |
| Total net assets | <u>533,143</u> | <u>(399,800)</u> | <u>4,410,153</u> | <u>4,543,496</u> |

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

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|----------------------------|-------------------------------------|---|------------------|
| Tangible fixed assets | - | - | 2,944,171 | 2,944,171 |
| Current assets | 725,480 | 82,111 | 17,965 | 825,556 |
| Current liabilities | (234,539) | (43,703) | - | (278,242) |
| Creditors over 1 year | (12,421) | - | - | (12,421) |
| Pension scheme liability | - | (2,647,000) | - | (2,647,000) |
| Total net assets | <u>478,520</u> | <u>(2,608,592)</u> | <u>2,962,136</u> | <u>832,064</u> |

19 Capital commitments

| | 2022 £ | 2021 £ |
|--|-----------|---------------|
| Contracted for, but not provided in the financial statements | <u>-</u> | <u>17,310</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2022 £ | 2021 £ |
|-----------------------------|-----------|-----------|
| Amounts due within one year | - | 1,313 |

21 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

| | 2021/22 £ | 2020/21 £ |
|---|--------------|--------------|
| Net income/(expenditure) | 165,432 | (241,634) |
| Depreciation | 152,415 | 109,392 |
| Capital grants from DfE and other capital income | (113,808) | (68,273) |
| Interest receivable | (81) | (81) |
| Defined benefit pension scheme obligation inherited | 469,000 | 269,000 |
| Defined benefit pension scheme finance cost | 60,000 | - |
| (Increase)/decrease in debtors | (56,875) | 239,557 |
| Increase/(decrease) in creditors | 126,524 | (252,696) |
| Non cash balances transferred in | (677,098) | - |
| Net cash provided by Operating Activities | 125,509 | 55,265 |

22 Cash flows from financing activities

| | 2021/22 £ | 2020/21 £ |
|---|--------------|--------------|
| Repayments of borrowing | (9,560) | (7,059) |
| Transfer in of existing academy | 19,520 | - |
| Net cash provided by/(used in) financing activities | 9,960 | (7,059) |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Cash flows from investing activities

| | 2021/22 £ | 2020/21 £ |
|--|-----------------|-----------------|
| Dividends, interest and rents from investments | 81 | 81 |
| Purchase of tangible fixed assets | (195,099) | (93,438) |
| Capital grants from DfE Group | 113,808 | 68,273 |
| Net cash used in investing activities | <u>(81,210)</u> | <u>(25,084)</u> |

24 Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|---------------------------------|----------------|----------------|
| Cash in hand and at bank | 682,987 | 628,728 |
| Total cash and cash equivalents | <u>682,987</u> | <u>628,728</u> |

25 Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | Other non-cash changes £ | At 31 August 2022 £ |
|---|--------------------------------|-----------------|-----------------------------------|---------------------------|
| Cash | 628,728 | 54,259 | - | 682,987 |
| Loans falling due within one year | (7,059) | - | (2,250) | (9,309) |
| Loans falling due after more than one year | <u>(12,421)</u> | <u>9,560</u> | <u>(15,239)</u> | <u>(18,100)</u> |
| | <u>(19,480)</u> | <u>9,560</u> | <u>(17,489)</u> | <u>(27,409)</u> |
| Total | <u>609,248</u> | <u>63,819</u> | <u>(17,489)</u> | <u>655,578</u> |

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up 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.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations

The Multi 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 Cornwall Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £70,728 (2021: £55,467) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £367,357 (2021: £312,661).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £310,000 (2021 - £234,000), of which employer's contributions totalled £243,000 (2021 - £184,000) and employees' contributions totalled £67,000 (2021 - £50,000). The agreed contribution rates for future years are 16.7 per cent plus £32,000 for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

| | 2022 % | 2021 % |
|--|-------------|-------------|
| Rate of increase in salaries | 3.05 | 2.90 |
| Rate of increase for pensions in payment/inflation | 3.05 | 2.90 |
| Discount rate for scheme liabilities | <u>4.25</u> | <u>1.65</u> |

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

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 21.30 | 21.50 |
| Females retiring today | 23.90 | 24.10 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 22.50 | 22.80 |
| Females retiring in 20 years | <u>25.60</u> | <u>25.80</u> |

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Sensitivity analysis

| | At 31 August 2022 £ | At 31 August 2021 £ |
|--|------------------------------------|------------------------------------|
| Discount rate +0.1% | -107,000 | -134,000 |
| Discount rate -0.1% | 107,000 | 134,000 |
| Mortality assumption – 1 year increase | -163,000 | -205,000 |
| Mortality assumption – 1 year decrease | 163,000 | 205,000 |
| CPI rate +0.1% | 99,000 | 122,000 |
| CPI rate -0.1% | -99,000 | -122,000 |

The academy trust's share of the assets in the scheme were:

| | 2022 £ | 2021 £ |
|-------------------------------------|-------------------|-------------------|
| Equities | 2,056,000 | 1,430,000 |
| Corporate bonds | 1,248,000 | 863,000 |
| Property | 294,000 | 148,000 |
| Other | 73,000 | 25,000 |
| Total market value of assets | 3,671,000 | 2,466,000 |

The actual return on scheme assets was (£147,000) (2021 - £290,000).

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 2021/22 £ | 2020/21 £ |
|-------------------------------------|----------------|----------------|
| Current service cost | 712,000 | 421,000 |
| Interest income | (61,000) | (35,000) |
| Interest cost | 121,000 | 67,000 |
| Total amount recognised in the SOFA | <u>772,000</u> | <u>453,000</u> |

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

| | 2021/22 £ | 2020/21 £ |
|--|------------------|------------------|
| At start of period | 5,113,000 | 3,702,000 |
| Transferred in on existing academies joining the trust | 1,847,000 | - |
| Current service cost | 712,000 | 421,000 |
| Interest cost | 121,000 | 67,000 |
| Employee contributions | 67,000 | 50,000 |
| Actuarial (gain)/loss | (3,754,000) | 904,000 |
| Benefits paid | <u>(34,000)</u> | <u>(31,000)</u> |
| At 31 August | <u>4,072,000</u> | <u>5,113,000</u> |

Changes in the fair value of Academy Trust's share of scheme assets

| | 2021/22 £ | 2020/21 £ |
|--|------------------|------------------|
| At start of period | 2,466,000 | 1,973,000 |
| Transferred in on existing academies joining the trust | 1,076,000 | - |
| Interest income | 61,000 | 35,000 |
| Actuarial gain/(loss) | (208,000) | 255,000 |
| Employer contributions | 243,000 | 184,000 |
| Employee contributions | 67,000 | 50,000 |
| Benefits paid | <u>(34,000)</u> | <u>(31,000)</u> |
| At 31 August | <u>3,671,000</u> | <u>2,466,000</u> |

28 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

School Governor:

Purchases totalling £104 were made from a shop owned by a school governor.

At the balance sheet date the amount due was £Nil (2021: £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income related party transactions

During the year there were no income related party transactions.

29 Transfer of existing academies into the Academy Trust

On 1 September 2021 St Ives Infant School joined Rainbow MAT. All operations and assets and liabilities were transferred to Rainbow MAT for £Nil consideration. The transfer has been accounted for under the acquisition method. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as incoming resources in the Statement of Financial Activities.

The following table sets out the carrying value of the assets and liabilities.

The Rainbow Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

29 Transfer of existing academies into the Academy Trust (continued)

St Ives Infant School

| | Value reported by transferring academy trust £ | Transfer in recognised £ |
|---------------------------------------|---|--------------------------------|
| Tangible fixed assets | | |
| Leasehold land and buildings | 1,428,732 | 1,428,732 |
| Furniture and equipment | 11,397 | 11,397 |
| Computer equipment | 7,966 | 7,966 |
| | <u>1,448,095</u> | <u>1,448,095</u> |
| Other assets | | |
| Debtors due in less than one year | 31,223 | 31,223 |
| Cash in bank and in hand | 208,943 | 208,943 |
| | <u>240,166</u> | <u>240,166</u> |
| Liabilities | | |
| Creditors due in less than one year | (108,966) | (108,966) |
| Creditors due in more than one year | (17,490) | (17,490) |
| | <u>(126,456)</u> | <u>(126,456)</u> |
| Pensions | | |
| Pensions – pension scheme assets | 1,076,000 | 1,076,000 |
| Pensions – pension scheme liabilities | (1,847,000) | (1,847,000) |
| | <u>(771,000)</u> | <u>(771,000)</u> |
| Net assets | <u>790,805</u> | <u>790,805</u> |

30 Events after the end of the reporting period

On 1 November 2022 the net assets and activities of St Michael's Church of England Primary School, Bishop Bronescombe CofE School, Grampound Road Village CofE School, Ladock CofE School, Veryan CofE School and Grampound-with-Creed Primary School were transferred into the Academy Trust.