

THE RAINBOW MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

Company Registration No. 08909269 England and Wales

THE RAINBOW MULTI ACADEMY TRUST

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THE RAINBOW MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

WT Carter (Chair)
LT Stephens (Accounting Officer)
M Carter
JL Emery
CT Harvey
SJ Jones
JM Lamb
JE Mellors (Resigned 31 July 2015)
J Moseley
RD Pascoe
SA Piper (Resigned 22 June 2015)
NA Smith
GIJ Springer
D Whitting (Appointed 8 April 2015)
L Seymour (Appointed 1 December 2014)

Members

SA Piper
WT Carter
Askel Veur The Diocese of Truro Academies Umbrella Company Ltd
The Diocesan Director of Education for the Diocese of Truro
Archdeacon WR Stuart-White

Senior management team

- Headteacher of St Meriadoc CE Infant Academy	LT Stephens
- Headteacher of St Meriadoc CE Junior Academy	SJ Jones
- Headteacher of Penponds Primary School	NA Smith
- Headteacher of Troon CP School	JM Lamb
- Business Manager	S Hassett

Company secretary

S Hassett

Company registration number

08909269 (England and Wales)

Registered office

St Meriadoc CE Infant Academy
Rectory Road
CAMBORNE
TR14 7DW

Academies operated

St Meriadoc CE Infant Academy
St Meriadoc CE Junior Academy
Troon CP School
Penponds Primary School

Location

Camborne
Camborne
Camborne
Camborne

Headteacher

LT Stephens
SJ Jones
JM Lamb
NA Smith

THE RAINBOW MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Robinson Reed Layton
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Bankers

Lloyds Bank Plc
29 Commercial Street
CAMBORNE
Cornwall
TR14 8JX

HSBC Bank Plc
45 Commercial Street
CAMBORNE
Cornwall
TR14 8AX

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 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 4 primary academies in the Camborne area. Its academies have a combined pupil capacity of 700 and had a roll of 613 in the school census in October 2015.

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 charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' 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 provides cover up to £2 million on any one claim.

Method of recruitment and appointment or election of trustees

The academy 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 4 headteachers of the academies;
- up to 2 community trustees appointed by the trustees; and
- up to 3 co-opted trustees who are appointed by the non co-opted trustees.

There shall always be two more trustees appointed by the members than all other trustees of the academy trust. Also, the total number of trustees who are employees of the charitable company shall not exceed one third of the total number of trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the headteacher. 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.

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/website.

THE RAINBOW MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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).

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

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.

Related party transactions are detailed in Note 23 to the accounts.

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 3 to 11.

The aims of the academy trust during the year ended 31 August 2015 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 learners;
- To develop the academy 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.

THE RAINBOW MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The key priorities for the year to 31 August 2015 are summarised below:

- To ensure that every child in all of the schools within the academy trust enjoys the same high quality education in terms of resources, tuition and care;
- To raise the standard of education, achievement and progress for all pupils within the academy trust;
- 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 provide value for money for the funds expended;
- To forge ever closer links with the community within which each school operates; and
- To conduct the academy trust's business in accordance with high standards of integrity, probity and openness.

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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

The assessment results below indicate the levels achieved during the latest accounting period by the individual schools within the academy trust:

	St Meriadoc	St Meriadoc	Penponds	Troon	
	Infants	Juniors			
Cohort KS1	50	n/a	17	15	
Cohort KS2	n/a	50	16	17	
Foundation %					National %
GLD	61	n/a	58	50	66
KS1 level 2+ %					
Reading	86 (88.3)	n/a	82 (85)	87 (88)	82
Writing	70 (74)	n/a	76 (76)	67 (68.7)	72
Maths	78 (80.7)	n/a	82 (82.7)	93 (89.3)	82
KS1 level 3+ %					
Reading	44 (42.7)	n/a	41 (27.3)	27 (34.3)	32
Writing	18 (24.3)	n/a	29 (23.3)	13 (17)	18
Maths	36 (35)	n/a	24 (31)	27 (31)	26
KS2 level 4+ %					
Reading	n/a	100 (97)	94 (93)	94 (93.7)	89
Writing	n/a	96 (91.7)	94 (93)	82 (81.3)	87
Maths	n/a	96 (96.3)	100 (97.7)	94 (90)	87
KS2 level 5+ %					
Reading	n/a	84 (61.3)	44 (50)	53 (47)	92
Writing	n/a	56 (44.3)	50 (47)	41 (34.3)	90
Maths	n/a	46 (33.3)	63 (46)	41 (26)	90
*Figures in brackets represent the rolling average over the last three academic years.					

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 2015.

Most of the charitable company's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2015, 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 EFA. 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.

THE RAINBOW MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Reserves policy

The Rainbow Multi Academy Trust trustees aim to control reserves to ensure excessive balances are not held at any one time and intends to conduct a review to ascertain an appropriate level for these balances. Trustees will ensure that delegated funds continue to be spent appropriately in the interest of the pupils of The Rainbow Multi Academy Trust.

However, 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 trustees consider the financial year end position of £2,368,076 (2014: £2,083,847) comprising £2,397,025 (2014: £2,085,893) of restricted fixed asset funds, (£537,000) (2014: (£453,710)) of restricted funds and £508,051 (2014: £451,664) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to (£537,000) (2014: £(500,000)) and general restricted funds of £Nil (2014: £46,290).

With the level of free reserves held by the academy trust at £508,051 (2014:£451,664) the academy trust finance committee is to review the existing policy on reserves. The Committee will make specific recommendations to ensure that the internal control measures in use will best manage these funds in the interest of the pupils.

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 £10,000 in addition to normal funding levels, over a period of 20 years, 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.

Investment policy and powers

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 a number of 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 by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the year, and are satisfied with the overall assessment.

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. This risk is 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 Funding Agency during the year, and are satisfied with the overall assessment.

THE RAINBOW MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 2015-16 the key objectives for the forthcoming year are:

- To provide an inspiring curriculum that meets the needs of our children;
- To strengthen teacher and support staff subject knowledge;
- To work together to improve teaching and learning;
- To develop a new assessment system that fits the new curriculum;
- Improve outcomes by the end of the Foundation Stage (GLD);
- To effectively use assessment systems and data across all schools; and
- Improve capacity of middle managers across the four Schools.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Robinson Reed Layton be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2015 and signed on its behalf by:

WT Carter
Chair

THE RAINBOW MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

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.

The board of trustees has delegated the day-to-day responsibility to the headteacher, 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
WT Carter (Chair)	4	4
LT Stephens (Accounting Officer)	3	4
M Carter	3	3
JL Emery	3	4
CT Harvey	4	4
SJ Jones	3	4
JM Lamb	4	4
JE Mellors (Resigned 31 July 2015)	4	4
J Moseley	2	4
RD Pascoe	4	4
SA Piper (Resigned 22 June 2015)	3	4
NA Smith	3	4
GIJ Springer	3	4
D Whitting (Appointed 8 April 2015)	2	2
L Seymour (Appointed 1 December 2014)	2	2

The Rainbow Multi Academy Trust is currently undergoing a review of governance, this was requested by the Directors and will result in an action plan being formulated. Future reviews of governance will be timely in response to the action plan.

THE RAINBOW MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The finance committee is a sub-committee of the main board of trustees. Its purpose is to:

- Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity and to provide support and guidance for all matters relating to the school premises, grounds, security and health and safety.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- Major issues will be referred to the full governing body for ratification, unless otherwise delegated.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
LT Stephens (Accounting Officer)	4	4
JL Emery	4	4
CT Harvey	4	4
RD Pascoe	1	4
GIJ Springer	2	4

Review of value for money

As accounting officer the headteacher 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 RAINBOW MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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. The accounting officer for the academy trust has delivered improved value for money during the year by:

Governors, Senior Management and the Accounting Officer apply the five principles of best value:

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 liaise and share best practice with other organisations?

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 Academy and to improve standards and the quality of provision across the schools in order meet the needs of all pupils. Some examples are set out below.

Improving educational results

Over the past year the 4 schools have shared the costs of training eg an internationally renowned independent education consultant spoke about raising aspirations and ensuring all children are able to succeed and attain at least Age Related Expectation. As a result progress and attainment has risen across the four schools.

Three schools are involved in NAHT Aspire which focuses on delegated leadership and improving outcomes for all children.

The MAT hires its own EP who works across the MAT to enable children with SEN to make good progress. She has led network meetings.

The joint MAT improvement plan has focused on areas which are priorities across the four 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.

All new vacancies are advertised internally first to allow staff to be most efficiently and effectively deployed.

A new tracking system has been purchased at a discount. This enables us to ensure that any interventions represent value for money and that the targeted groups have made accelerated progress.

Financial Performance

The appointment of business 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 eg the energy costs have been less this year.

The business manager has oversight of the processes and budgets in all four 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.

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.

The MAT host trainee teachers which also generates income.

THE RAINBOW MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Rainbow Multi Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by 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 committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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.

On a quarterly basis, the reviewer reports to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The reviewer has not found any material control issues arising as a result of the reviewer's work.

Review of effectiveness

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

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

THE RAINBOW MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

Approved by order of the board of trustees on 10 December 2015 and signed on its behalf by:

WT Carter
Chair

LT Stephens
Accounting Officer

THE RAINBOW MULTI ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2015*

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

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

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

Approved on 10 December 2015 and signed by:

LT Stephens
Accounting Officer

THE RAINBOW MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for The Rainbow Multi Academy Trust and are also the directors of The Rainbow Multi Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 10 December 2015 and signed on its behalf by:

WT Carter
Chair

THE RAINBOW MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE RAINBOW MULTI ACADEMY TRUST

We have audited the accounts of The Rainbow Multi Academy Trust for the year ended 31 August 2015 set out on pages 20 to 42. 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) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of The Rainbow Multi Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE RAINBOW MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE RAINBOW MULTI ACADEMY TRUST

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Mark Williams (Senior Statutory Auditor)

Robinson Reed Layton

Chartered Accountants

Statutory Auditor

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

Dated: 17 December 2015

THE RAINBOW MULTI ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 24 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Rainbow Multi Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Rainbow Multi Academy Trust and the EFA, 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 Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE RAINBOW MULTI ACADEMY TRUST

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

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy trust to ensure that they are in keeping with the academy trust's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Williams
Reporting Accountant
Robinson Reed Layton

Dated: 17 December 2015

THE RAINBOW MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	742	1,584	10,000	12,326	521
- Inherited on conversion		-	-	-	-	2,049,277
- Activities for generating funds	3	17,210	-	-	17,210	800
- Investment income	4	767	-	-	767	183
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	104,033	3,030,321	283,683	3,418,037	1,269,201
Total incoming resources		<u>122,752</u>	<u>3,031,905</u>	<u>293,683</u>	<u>3,448,340</u>	<u>3,319,982</u>
<u>Resources expended</u>						
<i>Charitable activities</i>						
- Educational operations	7	-	3,051,233	118,378	3,169,611	1,145,635
Governance costs	8	-	2,500	-	2,500	2,500
Total resources expended	6	<u>-</u>	<u>3,053,733</u>	<u>118,378</u>	<u>3,172,111</u>	<u>1,148,135</u>
Net incoming/(outgoing) resources before transfers		122,752	(21,828)	175,305	276,229	2,171,847
Gross transfers between funds		(66,365)	(69,462)	135,827	-	-
Net income/(expenditure) for the year		<u>56,387</u>	<u>(91,290)</u>	<u>311,132</u>	<u>276,229</u>	<u>2,171,847</u>
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	8,000	-	8,000	(88,000)
Net movement in funds		56,387	(83,290)	311,132	284,229	2,083,847
Fund balances at 1 September 2014		451,664	(453,710)	2,085,893	2,083,847	-
Fund balances at 31 August 2015		<u>508,051</u>	<u>(537,000)</u>	<u>2,397,025</u>	<u>2,368,076</u>	<u>2,083,847</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy trust's activities derive from acquisitions in the prior financial period.

THE RAINBOW MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		2,371,152		2,045,221
Current assets					
Debtors	12	217,453		62,354	
Cash at bank and in hand		769,805		747,969	
		<u>987,258</u>		<u>810,323</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(453,334)		(271,697)	
Net current assets			533,924		538,626
Net assets excluding pension liability			2,905,076		2,583,847
Defined benefit pension liability	17		(537,000)		(500,000)
Net assets			<u>2,368,076</u>		<u>2,083,847</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			2,397,025		2,085,893
- General funds			-		46,290
- Pension reserve			(537,000)		(500,000)
Total restricted funds			<u>1,860,025</u>		<u>1,632,183</u>
Unrestricted income funds	15		508,051		451,664
Total funds			<u>2,368,076</u>		<u>2,083,847</u>

The accounts were approved by order of the board of trustees and authorised for issue on 10 December 2015.

WT Carter
Chair

Company Number 08909269

THE RAINBOW MULTI ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

		31 August 2015 £	31 August 2014 £
	Notes		
Net cash inflow/(outflow) from operating activities	18	171,695	278,122
Cash funds transferred on conversion		-	417,699
Returns on investments and servicing of finance			
Investment income		767	183
Net cash inflow/(outflow) from returns on investments and servicing of finance		<u>767</u>	<u>183</u>
		172,462	696,004
Capital expenditure and financial investments			
Capital grants received		293,683	96,512
Payments to acquire tangible fixed assets		<u>(444,309)</u>	<u>(44,547)</u>
Net cash flow from capital activities		(150,626)	51,965
Increase/(decrease) in cash	19	<u>21,836</u>	<u>747,969</u>

All the cash flows are derived from acquisitions in the previous financial period.

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

The conversion from state maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained schools to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Rainbow Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Other income

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

1.5 Resources expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold property	2% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	20% per annum on cost

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

1.7 Leasing and hire purchase commitments

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

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.8 Taxation

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

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the 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 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 quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, the Department for Education and other funders where the asset acquired or created is held for a specific purpose.

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

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Capital grants	-	10,000	10,000	-
Other donations	742	1,584	2,326	521
	<u>742</u>	<u>11,584</u>	<u>12,326</u>	<u>521</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other income	17,210	-	17,210	800
	<u>17,210</u>	<u>-</u>	<u>17,210</u>	<u>800</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	767	-	767	183
	<u>767</u>	<u>-</u>	<u>767</u>	<u>183</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	2,369,778	2,369,778	1,000,598
Capital grants	-	283,683	283,683	22,604
Other DfE / EFA grants	-	397,953	397,953	69,910
	<u>-</u>	<u>3,051,414</u>	<u>3,051,414</u>	<u>1,093,112</u>
Other government grants				
Local authority grants	-	261,559	261,559	143,628
Other grants	-	1,031	1,031	-
	<u>-</u>	<u>262,590</u>	<u>262,590</u>	<u>143,628</u>
Other funds				
Other incoming resources	104,033	-	104,033	32,461
	<u>104,033</u>	<u>-</u>	<u>104,033</u>	<u>32,461</u>
Total funding	<u>104,033</u>	<u>3,314,004</u>	<u>3,418,037</u>	<u>1,269,201</u>

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £	Premises costs £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	1,919,331	-	262,705	2,182,036	820,970
- Allocated support costs	295,977	238,760	452,838	987,575	324,665
	<u>2,215,308</u>	<u>238,760</u>	<u>715,543</u>	<u>3,169,611</u>	<u>1,145,635</u>
Other expenditure					
Governance costs	-	-	2,500	2,500	2,500
	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Total expenditure	<u>2,215,308</u>	<u>238,760</u>	<u>718,043</u>	<u>3,172,111</u>	<u>1,148,135</u>

Incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases		
- Plant and machinery	12,388	5,592
Fees payable to auditor		
- Audit	2,500	2,500
- Other services	2,450	2,300
	<u>2,450</u>	<u>2,300</u>

Central services

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

- finance and administration; and
- settlement of other shared costs.

The academy trust charges for these services on the following basis:

- amount of Education Services Grant (ESG) each academy received.

The amounts charged during the year were as follows:

	Total £
St Meriadoc CE Infant Academy	23,100
St Meriadoc CE Junior Academy	25,200
Troon CP School	13,904
Penponds Primary School	18,288
	<u>80,492</u>

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	1,898,385	1,898,385	735,272
Technology costs	-	19,952	19,952	6,027
Educational supplies and services	-	87,731	87,731	17,522
Staff development	-	20,946	20,946	5,300
Other direct costs	-	155,022	155,022	56,849
	-	2,182,036	2,182,036	820,970
Allocated support costs				
Support staff costs	-	295,977	295,977	109,271
Depreciation	-	118,378	118,378	31,904
Technology costs	-	55,929	55,929	17,147
Recruitment and support	-	1,847	1,847	702
Maintenance of premises and equipment	-	120,382	120,382	35,619
Cleaning	-	28,513	28,513	8,889
Energy costs	-	41,405	41,405	13,174
Rent and rates	-	23,070	23,070	7,717
Insurance	-	59,562	59,562	14,517
Security and transport	-	8,670	8,670	3,354
Catering	-	119,800	119,800	23,379
Interest and finance costs	-	10,000	10,000	4,000
Other support costs	-	104,042	104,042	54,992
	-	987,575	987,575	324,665
Total costs	-	3,169,611	3,169,611	1,145,635

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Auditor's remuneration				
- Audit of financial statements	-	2,500	2,500	2,500

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015	2014
	£	£
Wages and salaries	1,735,779	693,639
Social security costs	95,945	37,933
Other pension costs	290,271	109,679
	<u>2,121,995</u>	<u>841,251</u>
Supply teacher costs	67,367	(708)
Compensation payments	5,000	4,000
Staff development and other staff costs	20,946	5,300
	<u>2,215,308</u>	<u>849,843</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015	2014
	Number	Number
Teachers	28	29
Administration and support	39	40
Management	4	5
	<u>71</u>	<u>74</u>

There were no employees whose annual remuneration was £60,000 or more.

Included in compensation costs was one (2014: one) non-statutory severance payment totalling £5,000 (2014: £4,000).

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The headteachers and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteachers and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £288 (2014: £133) were reimbursed to 1 trustee (2014: 1 trustee).

The value of trustees' remuneration was as follows:

LT Stephens (headteacher):

- Remuneration £55,000 - £60,000 (2014: £20,000 - £25,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £Nil - £5,000)

SJ Jones (headteacher):

- Remuneration £55,000 - £60,000 (2014: £15,000 - £20,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £Nil - £5,000)

NA Smith (headteacher):

- Remuneration £45,000 - £50,000 (2014: £15,000 - £20,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £Nil - £5,000)

JM Lamb (headteacher):

- Remuneration £50,000 - £55,000 (2014: £20,000 - £25,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £Nil - £5,000)

JL Emery (staff trustee):

- Remuneration £Nil - £5,000 (2014: £Nil - £5,000)
- Employer's pension contributions £Nil - £5,000 (2014: £Nil - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £270 (2014: £274).

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Leasehold property £	Computer equipment £	Furniture & equipment £	Total £
Cost				
At 1 September 2014	1,935,214	78,061	63,850	2,077,125
Additions	303,315	52,912	88,082	444,309
	<u>2,238,529</u>	<u>130,973</u>	<u>151,932</u>	<u>2,521,434</u>
Depreciation				
At 1 September 2014	15,850	10,733	5,321	31,904
Charge for the year	44,771	43,221	30,386	118,378
	<u>60,621</u>	<u>53,954</u>	<u>35,707</u>	<u>150,282</u>
Net book value				
At 31 August 2015	<u>2,177,908</u>	<u>77,019</u>	<u>116,225</u>	<u>2,371,152</u>
At 31 August 2014	<u>1,919,364</u>	<u>67,328</u>	<u>58,529</u>	<u>2,045,221</u>

12 Debtors

	2015 £	2014 £
Trade debtors	21,601	134
VAT recoverable	115,154	34,154
Prepayments and accrued income	80,698	28,066
	<u>217,453</u>	<u>62,354</u>

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	160,778	116,523
Taxes and social security costs	63,432	60,898
Other creditors	-	387
Accruals	172,827	16,834
Deferred income	56,297	77,055
	<u>453,334</u>	<u>271,697</u>

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	56,297	77,055
		<u>56,297</u>	<u>77,055</u>
	Total deferred income at 1 September 2014	77,055	-
	Amounts credited to the statement of financial activities	(77,055)	-
	Amounts deferred in the year	56,297	77,055
		<u>56,297</u>	<u>77,055</u>
	Total deferred income at 31 August 2015	56,297	77,055

Included within deferred income of £56,297 are the following balances; £46,917 in respect of Free School Meals funding ; £4,036 in respect of SEN High Needs Protection; and £5,344 in respect of School Trips .

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	46,290	2,369,778	(2,346,606)	(69,462)	-
Other DfE / EFA grants	-	397,953	(397,953)	-	-
Other government grants	-	262,590	(262,590)	-	-
Other restricted funds	-	1,584	(1,584)	-	-
	<u>46,290</u>	<u>3,031,905</u>	<u>(3,008,733)</u>	<u>(69,462)</u>	<u>-</u>
Funds excluding pensions	46,290	3,031,905	(3,008,733)	(69,462)	-
Pension reserve	(500,000)	-	(45,000)	8,000	(537,000)
	<u>(453,710)</u>	<u>3,031,905</u>	<u>(3,053,733)</u>	<u>(61,462)</u>	<u>(537,000)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	83,264	283,683	(16,462)	-	350,485
Inherited fixed asset fund	2,002,229	-	(72,837)	-	1,929,392
Capital expenditure from GAG or other funds	400	-	(27,079)	135,827	109,148
Private sector capital sponsorship	-	10,000	(2,000)	-	8,000
	<u>2,085,893</u>	<u>293,683</u>	<u>(118,378)</u>	<u>135,827</u>	<u>2,397,025</u>
Total restricted funds	<u>1,632,183</u>	<u>3,325,588</u>	<u>(3,172,111)</u>	<u>74,365</u>	<u>1,860,025</u>
Unrestricted funds					
General funds	<u>451,664</u>	<u>122,752</u>	<u>-</u>	<u>(66,365)</u>	<u>508,051</u>
Total funds	<u>2,083,847</u>	<u>3,448,340</u>	<u>(3,172,111)</u>	<u>8,000</u>	<u>2,368,076</u>

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 funding Agency and the Department for Education towards the principal activity of the multi academy trust, being the provision of education.

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 and Education 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 academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

Analysis of academies by fund balance

	Total £
Fund balances at 31 August 2015 were allocated as follows:	
St Meriadoc CE Infant Academy	120,175
St Meriadoc CE Junior Academy	112,694
Troon CP School	91,161
Penponds Primary School	133,920
Central services	50,101
	<hr/>
Funds excluding fixed asset fund and pensions reserve	508,051
Restricted fixed asset fund	2,397,025
Pension reserve	(537,000)
	<hr/>
Total funds	<u>2,368,076</u>

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 £
St Meriadoc CE Infant Academy	562,963	78,857	22,653	172,107	836,580
St Meriadoc CE Junior Academy	563,615	58,566	22,183	188,955	833,319
Troon CP School	459,449	56,309	18,859	168,099	702,716
Penponds Primary School	312,359	39,632	20,036	166,832	538,859
Central services	-	27,614	4,000	65,645	97,259
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,898,386	260,978	87,731	761,638	3,008,733
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	2,371,152	2,371,152
Current assets	484,520	476,865	25,873	987,258
Creditors falling due within one year	23,531	(476,865)	-	(453,334)
Defined benefit pension liability	-	(537,000)	-	(537,000)
	<u>508,051</u>	<u>(537,000)</u>	<u>2,397,025</u>	<u>2,368,076</u>

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £32,430 (2014: £31,659) were payable to the schemes at 31 August 2015 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Agency, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £155,466 (2014: £64,065).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £101,000.

The academy trust has entered into an agreement with the LGPS trustees to make additional annual contributions of £10,000 in addition to normal funding levels, over a period of 20 years, 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 Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

Contributions made	2015 £	2014 £
Employer's contributions	101,000	39,000
Employees' contributions	27,000	10,000
Total contributions	128,000	49,000

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.6	4.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2015:

0.5% decrease in Real Discount Rate - 13% approximate increase to Employer Liability equating to approximately £191,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £43,000.

0.5% increase in the Salary Increase Rate - 7% approximate increase to Employer Liability equating to approximately £98,000.

0.5% increase in the Pension Increase Rate - 6% approximate increase to Employer Liability equating to approximately £86,000.

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

	2015 Years	2014 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.8	26.8

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	366,000	6.2	393,000
Bonds	3.8	447,000	3.2	296,000
Property	3.8	63,000	4.5	44,000
Other assets	3.8	18,000	3.3	7,000
Total market value of assets		894,000		740,000
Present value of scheme liabilities - funded		(1,431,000)		(1,240,000)
Net pension asset / (liability)		(537,000)		(500,000)

The expected rates of return are set equal to the discount rate (as per the forthcoming FRS 102 disclosure requirements).

The actual return on scheme assets was £26,000.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	136,000	46,000
Past service cost	-	-
Total operating charge	136,000	46,000
Finance costs/(income)		
Expected return on pension scheme assets	(39,000)	(15,000)
Interest on pension liabilities	49,000	19,000
Net finance costs/(income)	10,000	4,000
Total charge/(income)	146,000	50,000

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	13,000	(30,000)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	(21,000)	118,000
Total (gains)/losses	(8,000)	88,000
Cumulative (gains)/losses to date	80,000	88,000

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(1,240,000)	-
Obligations acquired on conversion	-	(1,047,000)
Current service cost	(136,000)	(46,000)
Interest cost	(49,000)	(19,000)
Contributions by employees	(27,000)	(10,000)
Actuarial gains/(losses)	21,000	(118,000)
At 31 August 2015	(1,431,000)	(1,240,000)

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	740,000	-
Assets acquired on conversion	-	646,000
Expected return on assets	39,000	15,000
Actuarial gains/(losses)	(13,000)	30,000
Contributions by employers	101,000	39,000
Contributions by employees	27,000	10,000
At 31 August 2015	894,000	740,000

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17	Pensions and similar obligations	(Continued)			
History of experience gains and losses		2015	2014		
		£	£		
Present value of defined benefit obligations		(1,431,000)	(1,240,000)		
Fair value of share of scheme assets		894,000	740,000		
Surplus / (deficit)		<u>(537,000)</u>	<u>(500,000)</u>		
Experience adjustment on scheme assets		(13,000)	30,000		
Experience adjustment on scheme liabilities		<u>-</u>	<u>-</u>		
18	Reconciliation of net income to net cash inflow/(outflow) from operating activities	2015	2014		
		£	£		
Net income		276,229	2,171,847		
Capital grants and similar income		(293,683)	(96,512)		
Net deficit/(surplus) transferred on conversion		-	(2,049,277)		
Investment income		(767)	(183)		
Defined benefit pension costs less contributions payable		35,000	7,000		
Defined benefit pension finance costs/(income)		10,000	4,000		
Depreciation of tangible fixed assets		118,378	31,904		
(Increase)/decrease in debtors		(155,099)	(62,354)		
Increase/(decrease) in creditors		181,637	271,697		
Net cash inflow/(outflow) from operating activities		<u>171,695</u>	<u>278,122</u>		
19	Reconciliation of net cash flow to movement in net funds	2015	2014		
		£	£		
Increase/(decrease) in cash		21,836	747,969		
Net funds at 1 September 2014		747,969	-		
Net funds at 31 August 2015		<u>769,805</u>	<u>747,969</u>		
20	Analysis of net funds	At 1 September	Cash flows	Non-cash	At 31 August
		2014		changes	2015
		£	£	£	£
Cash at bank and in hand		747,969	21,836	-	769,805

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	4,223	-
- Between two and five years	5,796	11,409
	<u>10,019</u>	<u>11,409</u>

22 Capital commitments

At 31 August 2015 the company had capital commitments as follows:

	2015 £	2014 £
Expenditure contracted for but not provided in the accounts	<u>15,933</u>	<u>-</u>

THE RAINBOW MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Related parties

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

The following related party transactions occurred in the year:

SA Piper - A member and trustee. Transactions totalling £Nil (2014: £886), paid through Askel Veur The Diocese of Truro Academies Umbrella Company Ltd, relating to consultancy services provided took place in the year. £Nil was outstanding at 31 August 2015 (2014: £443).

Askel Veur The Diocese of Truro Academies Umbrella Company Ltd - A corporate member. Transactions totalling £500 (2014: £1,558) for services provided took place in the year. There were no amounts outstanding at 31 August 2015 (2014: £Nil).

In entering into the transaction the trust has complied with the requirement of EFA's Academies Financial Handbook.

K Stephens - daughter of LT Stephens, a trustee. Transactions totalling £34,034 (2014: £13,015) relating to her employment as a teacher (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2015 (2014: £Nil).

In entering into the transaction the trust has complied with the requirement of EFA's Academies Financial Handbook.

N Stephens - daughter-in-law of LT Stephens, a trustee. Transactions totalling £29,294 (2014: £11,186) relating to her employment as a teacher (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2015 (2014: £Nil).

In entering into the transaction the trust has complied with the requirement of EFA's Academies Financial Handbook.

J Emery - daughter of M Carter, a trustee. Transactions totalling £3,756 (2014: £1,545) relating to her employment as a member of the administration team (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2015 (2014: £Nil).

In entering into the transaction the trust has complied with the requirement of EFA's Academies Financial Handbook.

C Harvey - daughter-in-law of CT Harvey, a trustee. Transactions totalling £1,633 (2014: £560) relating to her employment as a member of the administration team (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2015 (2014: £Nil).

In entering into the transaction the trust has complied with the requirement of EFA's Academies Financial Handbook.

24 Members' liability

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