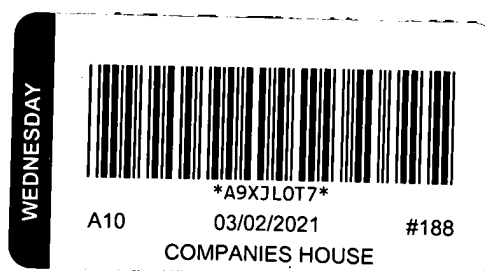


Company Registration Number: 07471734 (England & Wales)

RAINBOW SCHOOLS TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities incorporating income and expenditure account	28 - 29
Balance sheet	30 - 31
Statement of cash flows	32
Notes to the financial statements	33 - 57

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Amjad Pervez Taher Nawaz Rukhsana Khawaja Yasir Ali El-Fabbeh Hameed Husein
Trustees	Amjad Pervez (resigned 12 February 2020) Taher Nawaz Asmi Darr, Chair of Trustees Michelle Gizella Khan Vaneeta Garg Shaukat Ali Salma Sharif (appointed 27 January 2020) Joseph Lansana Kormoh Ruby Khalid Bhatti OBE
Company registered number	07471734
Company name	Rainbow Schools Trust
Principal and registered office	Nelson Street Bradford West Yorkshire BD5 0HD
Chief executive officer	Arshad Javed
Senior management team	Arshad Javed, Chief Executive Officer and Accounting Officer Dame Naila Zaffar, Executive Head (appointed 1 September 2019) Maxine Muff, Business Manager Farah Javed, Acting Head of School Wendy Ward, Assistant Head of School
Independent auditors	BHP LLP New Chartford House Centurion Way Cleckheaton West Yorkshire BD19 3QB

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank Plc
Hustlergate Branch
Bradford
BD1 1NT

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy trust operates a free school for pupils aged 4 to 11 serving a catchment area in Bradford. The Free School has a pupil capacity of 420 and had a roll of 364 in the school census in October 2019.

Structure, governance and management

a. Constitution

The trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association and articles of association are the primary governing documents of the Free School.

The Trustees of Rainbow Schools Trust are also the directors of the charitable company for the purposes of company law.

The Free School is known as Rainbow Primary School.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Free School has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

d. Method of recruitment and appointment or election of Trustees

Members of the charitable company are nominated either by the Secretary of State for the Department of Education or by the members of the charitable trust. The Articles of Association require the members of the charitable company to appoint at least three Trustees to be responsible for the affairs of the charitable company and the management of the Free School.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given a tour of the School and the chance to meet with staff and students. All new Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The organisational structure consists of two levels, the Trustees and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trustees are responsible for setting strategic policy, challenging the School, adopting policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments. The Senior Managers are the Chief Executive Officer, the Executive Head and the School Business Manager. These managers control the School at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff through appointment boards. Some spending control is devolved to members of the Management Team with financial limits above which a second member of the Management Team must countersign. The management team is responsible for the day to day operation of the School, in particular organising the teaching staff, facilities and students.

g. Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is approved by the board with reference to pay ranges in the DfE's guidance on school teachers pay and market rates.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)***h. Trade union facility time******Relevant union officials***

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

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	-
1%-50%	-
51%-99%	-
100%	-

<i>Percentage of pay bill spent on facility time</i>	<i>£</i>
---	-----------------

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Objectives and activities***a. Objects and aims***

The main objectives of the School during the year ended 31 August 2020 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

The School's main strategy is encompassed in its mission statement which is "To provide all of our students with the academic and character skills they need to achieve excellent results, to succeed in a competitive world and to serve as the next generation of leaders for all our communities". To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Key performance indicators

Contextual Background

Rainbow Primary School has 364 pupils on roll in our October 2019 census. In March 2020, the whole country was in the grip of Corona Virus pandemic and all schools had to close for most pupils, due to a national lockdown until June. The Schools were allowed a phased re-opening from 4th June 2020 with significant restrictions on the number of pupils under stringent Corona Virus risk assessment protocols. The bulk of the in school teaching and learning was swiftly shifted to CLASS DOJO and Zoom remote platforms. Rainbow like many other schools remained open for vulnerable children and others from critical worker households. This unprecedented long closure has taken its toll on all aspects of our school life including mental and physical health and well being of the whole school community.

The three main ethnicity groups that attend the school are Other Pakistani (34.9%), Indian (19.6%) and Any other White background (16%). 60.55% of the school cohort speaks English as an additional language compared to 39.45% of the cohort that do not. Nationally 15.7% of the primary phase cohort speaks English as an additional language.

3.27% of the school cohort has SEN Support, 1.2% have an EHC Plan or statement and 96 % have no specific educational need. Nationally 12.6% of the primary phase cohort has SEN Support and 1.6% have an EHC Plan.

Deprivation

Rainbow Primary School is situated in the Bradford East area of the city within the Little Horton ward. 91% of the school cohort live in the 30% most deprived areas of England. Based on the Index of Multiple Deprivation (IMD), the school is ranked 45th out of 160 primary schools (where 1 equals the most deprived).

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)**Achievements and performance (continued)**

Attendance

Period: 02/09/2019 AM to 24/07/2020 PM**Scope:** Whole School

	Sessions	%
Attendances	77647	94.23
Authorised absences	2545	3.09
Unauthorised absences	2209	2.68
Possible Attendance	82401	
Including		
Approved Educational Activity	89	0.11
Lates before reg closed	3287	3.99
Lates after reg closed	157	0.19
Unexplained absences	6	0.01

FreeMeals	Pupils in group	Attendances	Authorised Absences	Unauthorised Absences	Late Before	Late After
Free School Meals	103	93.8	3.1	3.1	6.3	0.4
Totals	103	93.8	3.1	3.1	6.3	0.4

PPI	Pupils in group	Attendances	Authorised Absences	Unauthorised Absences	Late Before	Late After
Pupil Premium	113	93.7	3.0	3.3	5.8	0.4
Totals	113	93.7	3.0	3.3	5.8	0.4

SENStatus	Pupils in group	Attendances	Authorised Absences	Unauthorised Absences	Late Before	Late After
No Special Educational Need	48	94.8	2.6	2.6	4.3	0.5
Education, Health and Care Plan	4	95.8	3.1	1.1	1.4	0.1
SEN Support	21	92.5	3.4	4.1	4.7	0.2
Totals	73	94.2	2.9	2.9	4.3	0.4

Ofsted

The school had a Section 8 inspection on 4 April 2017 where the school was judged to be good.

Early Years Foundation Stage

Good Level of Development (GLD)

Teachers' assessments show that at the end of term two (March 2020) only 53% of pupils (39 on roll, 21 children) achieved GLD. The percentage of pupils achieving a Good Level of Development (GLD) in 2019 improved with 69.8% of pupils achieving GLD compared to 69.4% in 2018.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)**Achievements and performance (continued)**

	Good Level of Development (GLD)				Average Points Score			
	2018	2019	2020	Improvement	2018	2019	2020	Improvement
Rainbow Primary School	69.4	69.8	53%	-16.8%	33.6	35.7		
National	71.5	71.8			34.6	34.6		0.0
Gap	-2.1	-2.0			-1.0	1.1		

Year 2

Previous record The percentage of pupils meeting the expected standard of phonic decoding at the end of Year 2 in 2019 improved with 95.8% achieving the expected standard compared to 89.8% in 2018. This represents an improvement of 6 percentage points. The school outperformed the 2019 national average of 91% by 4.8 percentage points.

The percentage of pupils meeting the expected standard of phonic decoding at the end of Year 2 in 2019 improved with 95.8% achieving the expected standard compared to 89.8% in 2018. This represents an improvement of 6 percentage points. The school outperformed the 2019 national average of 91% by 4.8 percentage points.

	Percentage of pupils meeting the expected standard of phonic decoding at the end of Year 1			Percentage of pupils meeting the expected standard of phonic decoding at the end of Year 2		
	2018	2019	Improvement	2018	2019	Improvement
Rainbow Primary School	82.6	87.0	4.4	89.8	95.8	6.0
National	82.0	82.0	0.0	92.0	91.0	-1.0
Gap	0.6	5.0		-2.2	4.8	

Key Stage 1**Reading**

Previous Record The percentage of pupils reaching the expected standard in reading in 2019 improved with 85.7% achieving the expected standard compared to 64.4% in 2018. This represents an improvement of 21.3 percentage points. The school outperformed the 2019 national average of 75% by 10.7 percentage points.

Writing

Previous record The percentage of pupils reaching the expected standard in writing in 2019 improved with 75.5% achieving the expected standard compared to 62.7% in 2018. This represents an improvement of 12.8 percentage points. The school outperformed the 2019 national average of 69% by 6.5 percentage points.

Maths

Previous record The percentage of pupils reaching the expected standard in maths in 2019 improved with 81.6% achieving the expected standard compared to 67.8% in 2018. This represents an improvement of 13.8 percentage points. The school outperformed the 2019 national average of 76% by 5.6 percentage points.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)**Achievements and performance (continued)****Reading, Writing and Maths (RWM)**

Previous record The percentage of pupils reaching the expected standard in reading, writing and maths in 2019 improved with 73.5% achieving the expected standard compared to 57.6% in 2018. This represents an improvement of 15.9 percentage points.

	Percentage of pupils meeting the expected standard of Key Stage 1 - Reading			Percentage of pupils meeting the expected standard of Key Stage 1 - Writing			Percentage of pupils meeting the expected standard of Key Stage 1 - Maths		
	2018	2019	Improvement	2018	2019	Improvement	2018	2019	Improvement
Rainbow Primary School	64.4	85.7	21.3	62.7	75.5	12.8	67.8	81.6	13.8
National	75.0	75.0	0.0	70.0	69.0	-1.0	76.0	76.0	0.0
Gap	-10.6	10.7		-7.3	6.5		-8.2	5.6	

Key Stage 2**Reading, Writing and Maths (RWM)**

Previous record The percentage of pupils reaching the expected standard in reading, writing and maths in 2019 improved with 59.6% achieving the expected standard compared to 57.1% in 2018. This represents an improvement of 2.5 percentage points. The school achieved below the 2019 national average of 65% by 5.4 percentage points, however the gap to national has narrowed by 1.5 percentage points.

Reading

The percentage of pupils reaching the expected standard in reading in 2019 declined with 61.5% achieving the expected standard compared to 63.3% in 2018. This represents a decrease of 1.8 percentage points. The school achieved below the 2019 national average of 74% by 12.5 percentage points, and the gap to national has widened by 0.8 percentage points.

Writing

The percentage of pupils reaching the expected standard in reading in 2019 declined with 65.4% achieving the expected standard compared to 73.5% in 2018. This represents a decrease of 8.1 percentage points. The school achieved below the 2019 national average of 79% by 13.6 percentage points, and the gap to national has widened by 9.1 percentage points.

Maths

The percentage of pupils reaching the expected standard in maths in 2019 declined with 73.1% achieving the expected standard compared to 77.6% in 2018. This represents a decrease of 4.5 percentage points. The school achieved below the 2019 national average of 79% by 5.9 percentage points, and the gap to national has widened by 5.9 percentage points.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)**Achievements and performance (continued)****Grammar, Punctuation and Spelling (GPS)**

The percentage of pupils reaching the expected standard in grammar, punctuation and spelling in 2019 declined with 73.1% achieving the expected standard compared to 83.7% in 2018. This represents a decrease of 10.6 percentage points. The school achieved below the 2019 national average of 78% by 4.9 percentage points, and the gap to national has widened by 4.9 percentage points.

The average scaled score in grammar, punctuation and spelling in 2019 was 105.9 compared to 105.7 in 2018. This represents an improvement of 0.2 points. The school achieved below the 2019 national average of 106 by 0.1 points, however the gap to national has narrowed by 0.2 points.

	Percentage of pupils meeting the expected standard of Key Stage 2 - Reading			Percentage of pupils meeting the expected standard of Key Stage 2 - Writing			Percentage of pupils meeting the expected standard of Key Stage 2 - Maths		
	2018	2019	Improvement	2018	2019	Improvement	2018	2019	Improvement
Rainbow Primary School	63.3	61.5	-1.8	73.5	65.4	-8.1	77.6	73.1	-4.5
National	75.0	74.0	-1.0	78.0	79.0	1.0	75.0	79.0	4.0
Gap	-11.7	-12.5		-4.5	-13.6		2.6	-5.9	

	Percentage of pupils meeting the expected standard of Key Stage 2 - GPS			Percentage of pupils meeting the expected standard of Key Stage 2 - RWM		
	2018	2019	Improvement	2018	2019	Improvement
Rainbow Primary School	83.7	73.1	-10.6	57.1	59.6	2.5
National	78.0	78.0	0.0	64.0	65.0	1.0
Gap	5.7	-4.9		-6.9	-5.4	

Key Stage 2 Progress 2019**Reading**

The progress made by pupils in reading in 2019 declined with an average progress score of 0.0 compared to 1.7 in 2018. This represents a decrease of 1.7 points. Pupils matched the progress made nationally in 2019.

In 2019 girls out performed boys by 0.1 with girls achieving a progress score of 0 (2019 national average: 0.6) and boys achieving a progress score of -0.1 (2019 national average: -0.5). In 2019 Free School Meal eligible pupils out performed pupils who are not by 2.5 points with Free School Meal eligible pupils achieving a progress score of 1.8 (2019 national average: -0.8) and pupils not eligible achieving a progress score of -0.7 (2019 national average: 0.2). The three ethnicity groups with the highest progress scores are Roma/Roma Gypsy (9.5 - 2 pupils in the cohort), Bangladeshi (4.5 - 2 pupils in the cohort) and Any other Mixed Background (0.3 - 4 pupils in the cohort).

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

In 2019 Pupil Premium eligible pupils out performed pupils who are not by 0.6 points with Pupil Premium eligible pupils achieving a progress score of 0.2 (2019 national average: -0.6) and pupils not eligible achieving a progress score of -0.4 (2019 national average: 0.3).

Pupils with SEN Support achieved a progress score of -2.5 (2019 national average: -1), pupils with a EHC Plan or statement achieved a progress score of 12 (2019 national average: -3.6) and pupils with no specific educational need achieved a progress score of 0.1 (2019 national average: 0.4).

Writing

The progress made by pupils in writing in 2019 declined with an average progress score of 1.4 compared to 1.5 in 2018. This represents a decrease of 0.1 points. The progress made by pupils is significantly higher than the 2019 national average (0).

In 2019 girls out performed boys by 2.6 with girls achieving a progress score of 2.5 (2019 national average: 0.8) and boys achieving a progress score of -0.1 (2019 national average: -0.7). In 2019 the Free School Meal achievement split was identical with both Free School meal eligible pupils (2019 national average: -0.7) and non eligible pupils (2019 national average: 0.2) achieving a progress score of 1.5. The three ethnicity groups with the highest progress scores are Bangladeshi (6.8 - 2 pupils in the cohort), Roma/Roma Gypsy (3 - 2 pupils in the cohort) and Any other Ethnic Group (2.9 - 1 pupil in the cohort).

In 2019 Pupil Premium eligible pupils out performed pupils who are not by 1.2 points with Pupil Premium eligible pupils achieving a progress score of 2.2 (2019 national average: -0.5) and pupils not eligible achieving a progress score of 1 (2019 national average: 0.3).

Pupils with SEN Support achieved a progress score of 0.5 (2019 national average: -1.7), pupils with a EHC Plan or statement achieved a progress score of 3 (2019 national average: -4.3) and pupils with no specific educational need achieved a progress score of 1.6 (2019 national average: 0.5).

Maths

The progress made by pupils in maths in 2019 improved with an average progress score of 1.7 compared to 1.6 in 2018. This represents an improvement of 0.1 points. The progress made by pupils is significantly higher than the 2019 national average (0).

In 2019 boys out performed girls by 1 with girls achieving a progress score of 1.3 (2019 national average: -0.7) and boys achieving a progress score of 2.3 (2019 national average: 0.8). In 2019 pupils who weren't eligible for Free School Meals out performed pupils who were eligible by 1.9 points with Free School Meal eligible pupils achieving a progress score of 0 (2019 national average: -0.9) and non eligible pupils achieving a progress score of 1.9 (2019 national average: 0.2). The three ethnicity groups with the highest progress scores are Bangladeshi (4.7 - 2 pupils in the cohort), Any other Mixed Background (3.9 - 2 pupils in the cohort) and Any other White background (2.5 - 8 pupils in the cohort).

In 2019 pupils who weren't eligible for Pupil Premium out performed pupils who were eligible by 2.6 points with Pupil Premium eligible pupils achieving a progress score of 0 (2019 national average: -0.7) and non eligible pupils achieving a progress score of 2.6 (2019 national average: 0.4).

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)**Achievements and performance (continued)**

Pupils with SEN Support achieved a progress score of -1.9 (2019 national average: -1), pupils with a EHC Plan or statement achieved a progress score of -0.4 (2019 national average: -4) and pupils with no specific educational need achieved a progress score of 2.5 (2019 national average: 0.4).

	Key Stage 2 Progress Scores Reading			Key Stage 2 Progress Scores Writing			Key Stage 2 Progress Scores Maths		
	2018	2019	Improvement	2018	2019	Improvement	2018	2019	Improvement
Rainbow Primary School	1.7	0.0	-1.7	1.5	1.4	-0.1	1.6	1.7	0.1
National	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gap	1.7	0.0		1.5	1.4		1.6	1.7	

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Review of activities

The majority of the Free School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG) and it also receives other grants such as pupil premium and the sports grant, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year, incoming resources totaled £2,169,916 (2019 - £2,187,923) which covers the outgoing resources (before a deficit on the local government pension fund). The unrestricted fund and restricted general fund surplus/(deficit) for the year were (£8,783) (2019 - £110,962) and £33,421 (2019 - (£132,256)) respectively.

The net book value of fixed assets was £4,318,186 (2019 - £4,411,469) as at 31 August 2020. These assets were exclusively for providing educational and support services to the Free School.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Reserves policy

The Trustees will review the reserve levels of the Free School annually. The review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. This is in order to ensure sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as maintenance. The Free School intends to build up free reserves to the level needed over the next 2-3 years.

At 31 August 2020 the balance of the Free School's Unrestricted Funds was £320,754 and the balance of its Restricted General Funds was £499,553 (before allowing for pension liabilities of £515,000).

The trustees are of the opinion that there is adequate working capital in the form of net current assets amounting to £820,307 (2019 - £594,669).

b. Investment policy

The Accounting Officer will review cash flow, discuss current investment opportunities with the Free School's Bank Manager and make recommendations to Trustees on investment proposals.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Free School is exposed, in particular those relating to the specific provision of teaching, facilities management and other operational areas of the Free School and its finances. The Trustees have implemented a number of systems to assess risks that the Free School faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured the Free School has adequate insurance cover. The Free School has an effective system of internal financial controls and this is explained in more detail below.

As part of the risk management process the Trustees have set policies on internal controls which cover the following:

- the type of risks the Free School faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Free School's ability to reduced the incidence and impact on the Free School's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Management Team to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Free School's operations so that it becomes part of the culture of the Free School;
- developed systems to respond quickly to evolving risks arising from factors within the Free School and to changes in the external environment; and
- included procedures for reporting failures immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken.

Fundraising

The Free School appreciates donations from the public. The Free School does not use any professional fundraiser or commercial participator to carry out activities on the School's behalf.

The Free School is not a participant of a voluntary scheme for regulating fundraiser, or any voluntary standard of fundraising for the activities carried out on behalf of the Free School. Should the Free School at some point in the future undertake a specific fundraising campaign or start to generate more income through fundraising, the trustees may look to sign up to voluntary fundraising code.

Plans for future periods

The Free School is continuously exploring how it can further strengthen and develop the whole school curriculum with SMSC at the core.

Trustees continue to explore possibilities of expansion through the MAT route.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:



Asmi Darr (Jan 28, 2021 16:44 GMT)

.....
Asmi Darr

Chair of Trustees

Date: Jan 28, 2021

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Rainbow Schools 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, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rainbow Schools 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.

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

Trustee	Meetings attended	Out of a possible
Amjad Pervez (resigned 12 February 2020)	2	2
Taher Nawaz	5	6
Asmi Darr, Chair of Trustees	6	6
Michelle Gizella Khan	5	6
Vaneeta Garg	5	6
Shaukat Ali	5	6
Salma Sharif (appointed 27 January 2020)	4	4
Joseph Lansana Kormoh	3	6
Ruby Khalid Bhatti OBE	4	6

The board of trustees has an excellent range of skills to ensure they fulfil their roles and responsibilities effectively. The trustees continually review their effectiveness via skills audits and Governing Body Reviews. The trustees complete a comprehensive Governing Body Review to facilitate their strategic responsibilities for the continual development and improvement of the school trust. A skills audit takes place to ascertain skills and experience, whilst identifying any training required.

The Finance, HR and Premises committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board of Trustees, by enabling more detailed consideration to be given to best means of fulfilling the board of Trustees' responsibility to ensure sound management of the School's finances and resources, including proper planning, monitoring and probity. The Finance, HR and Premises Committee will also make appropriate comments and recommendations on such matters to the board of Trustees on a regular basis.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Amjad Pervez (resigned 12 February 2020)	2	2
Asmi Darr, Chair of Trustees	3	3
Taher Nawaz	2	3
Joseph Kormah	2	3
Shaukat Ali	1	3
Vaneeta Garg	2	3
Michelle Gizella Khan	1	3

Review of value for money

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

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

Rainbow Primary School is committed to:**1. Robust governance and oversight of Trust finances**

The Trust receives support throughout the year from its External Auditors on compliance and accounting practices. The Trustees and Governors approve the budget each year and are mindful of the need to balance expenditure against income to ensure that the Trust remains a 'going concern'. The Governing Body also receive and approve the annual accounts and the External Auditors Management Report.

2. Ensuring the operation of the Trust shows good value for money and efficient and effective use of resources.

Rainbow Primary School requires all suppliers to compete on grounds of cost and quality of products. The Academy actively seeks out the best products at the best prices, regardless of how much Rainbow Primary School aims to spend.

For any order of £1,000 or over the Trust will obtain three quotes. Successful companies will be chosen on grounds of price, quality and previous track record.

The Trust is always mindful that minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on these minor improvements and savings can also distract management from more important or valuable areas. The school therefore uses well known, reliable suppliers for small orders (e.g. stationery, small equipment).

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The Trust deploys human resources so that value for money is maximised in terms of quality of teaching and learning, adult-pupil ratio and curriculum management. The Trust staffing structure is reviewed annually to ensure the most appropriate provision for our pupils.

The Trust has developed an asset register which manages the allocation of resources in terms of costing, effectiveness and depreciation.

All orders are verified by the executive head teacher or deputy head teachers, budget holder and the Business Manager to ensure that money is being utilised and allocated appropriately.

The school targets its use of the Pupil Premium funding so that the school's most deprived pupils have the opportunity to raise their individual levels of attainment resulting in improved educational outcomes.

Rainbow Primary School works with other schools collaboratively where possible to ensure that procurement costs are kept to a minimum. The school also shares good practice with a number of local schools which helps to drive up standards for the least cost.

Rainbow Primary School has started to benchmark financial performance against other academy trusts to demonstrate that the Academy provides good value for money.

The Rainbow schools Trust applies the value for money principle in all its transactions. In the current financial year three examples of this practice are listed below:

2019/2020 savings made on three contracts

Hygiene Room - £1,230

School Library - £1,780

Remote Learning Platform - £1,540

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rainbow Schools Trust for the year 1 September 2019 to 31 August 2020 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 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 trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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 General Purposes 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
- identification and management of risks

The Board of Trustees has decided to employ BHP LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. In particular the checks carried out in the current period included:

- income
- purchases
- payroll
- bank reconciliations
- petty cash
- meeting minutes

On an annual basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)


GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees and signed on their behalf by:


Asmi Darr (Jan 28, 2021 16:44 GMT)

.....
Asmi Darr
Chair of Trustees

Date: Jan 28, 2021


Arshad Javed (Jan 28, 2021 16:48 GMT)

.....
Arshad Javed
Accounting Officer

RAINBOW SCHOOLS TRUST


(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Rainbow Schools Trust I have considered my responsibility to notify the trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the trust, under the funding agreement in place between the 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 2019.

I confirm that I and the trust board of Trustees are able to identify any material irregular or improper use of all funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2019.

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.


Arshad Javed (Jan 28, 2021 16:48 GMT)

.....
Arshad Javed
Accounting Officer

Date: Jan 28, 2021

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company 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 of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 and signed on its behalf by:



Asmi Darr (Jan 28, 2021 16:44 GMT)

.....
Asmi Darr

Chair of Trustees

Date: Jan 28, 2021

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RAINBOW SCHOOLS TRUST

Opinion

We have audited the financial statements of Rainbow Schools Trust (the 'trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RAINBOW SCHOOLS TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RAINBOW SCHOOLS TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the trust'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 trust or to cease operations, or have no realistic alternative but to do so.

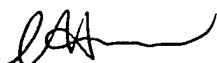
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable trust'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 trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lesley Kendrew (Senior Statutory Auditor)

for and on behalf of

BHP LLP

New Chartford House

Centurion Way

Cleckheaton

West Yorkshire

BD19 3QB

Date: Jan 28, 2021

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RAINBOW SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rainbow Schools Trust during the year 1 September 2019 to 31 August 2020 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 Rainbow Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rainbow Schools 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 Rainbow Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rainbow Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Rainbow Schools Trust's funding agreement with the Secretary of State for Education dated August 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

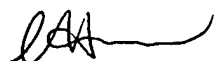
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- checking that the school trust's activities are consistent with its framework and its charitable objectives
- checking that the trustees and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the year for undisclosed related party transactions
- checking that any related party transactions during the year are conducted at normal commercial rates
- checking that school trust expenditure is permitted by its funding agreement
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academies Handbook

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Lesley Kendrew
Reporting Accountant
BHP LLP

New Chartford House
Centurion Way
Cleckheaton
West Yorkshire
BD19 3QB

Date: Jan 28, 2021

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	-	-	22,620
Charitable activities		-	2,123,574	-	2,123,574	1,998,168
Other trading activities		45,698	-	-	45,698	165,952
Investments	6	644	-	-	644	1,183
Total income		46,342	2,123,574	-	2,169,916	2,187,923
Expenditure on:						
Raising funds		55,125	-	-	55,125	56,278
Charitable activities		-	1,922,721	130,715	2,053,436	2,106,910
Total expenditure		55,125	1,922,721	130,715	2,108,561	2,163,188
Net (expenditure)/income		(8,783)	200,853	(130,715)	61,355	24,735
Transfers between funds	16	-	(37,432)	37,432	-	-
Net movement in funds before other recognised gains/(losses)		(8,783)	163,421	(93,283)	61,355	24,735
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(130,000)	-	(130,000)	(123,000)
Net movement in funds		(8,783)	33,421	(93,283)	(68,645)	(98,265)
Reconciliation of funds:						
Total funds brought forward		329,537	(48,868)	4,411,469	4,692,138	4,790,403
Net movement in funds		(8,783)	33,421	(93,283)	(68,645)	(98,265)
Total funds carried forward		320,754	(15,447)	4,318,186	4,623,493	4,692,138

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 33 to 57 form part of these financial statements.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 07471734**

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	4,318,186	4,411,469
		<u>4,318,186</u>	<u>4,411,469</u>
Current assets			
Debtors	14	68,157	71,892
Cash at bank and in hand		874,643	671,800
		<u>942,800</u>	<u>743,692</u>
Creditors: amounts falling due within one year	15	(122,493)	(149,023)
Net current assets		<u>820,307</u>	<u>594,669</u>
Total assets less current liabilities		<u>5,138,493</u>	<u>5,006,138</u>
Net assets excluding pension liability		<u>5,138,493</u>	<u>5,006,138</u>
Defined benefit pension scheme liability	22	(515,000)	(314,000)
Total net assets		<u><u>4,623,493</u></u>	<u><u>4,692,138</u></u>
Funds of the trust			
Restricted funds:			
Fixed asset funds	16	4,318,186	4,411,469
Restricted income funds	16	499,553	265,132
		<u>4,817,739</u>	<u>4,676,601</u>
Restricted funds excluding pension asset	16	4,817,739	4,676,601
Pension reserve	16	(515,000)	(314,000)
		<u>4,302,739</u>	<u>4,362,601</u>
Total restricted funds	16	4,302,739	4,362,601
Unrestricted income funds	16	320,754	329,537
		<u>4,623,493</u>	<u>4,692,138</u>
Total funds		<u><u>4,623,493</u></u>	<u><u>4,692,138</u></u>

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 28 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Asmi Darr (Jan 28, 2021 16:44 GMT)

.....
Asmi Darr
Chair of Trustees

Date: Jan 28, 2021

The notes on pages 33 to 57 form part of these financial statements.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	240,275	202,962
Cash flows from investing activities	19	(37,432)	(23,572)
Cash and cash equivalents at the beginning of the year		671,800	492,410
Cash and cash equivalents at the end of the year	20, 21	874,643	671,800

The notes on pages 33 to 57 form part of these financial statements

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the 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 year 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where 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 year it is receivable and to the extent the trust has provided the goods or services.

1.4 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.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)**1.4 Expenditure (continued)**

- **Expenditure on raising funds**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.8 Tangible fixed assets

Assets costing £500 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.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- Over 50 years from 1 January 2014
Furniture and equipment	- 25% straight line basis

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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 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 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.

1.12 Financial instruments

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the trust and their measurement bases 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.

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 note 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.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

The trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the trust to the fund in respect of the year.

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the 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.

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Department for Education Group.

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

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	-	-	105
Government grants	-	-	-	22,515
	-	-	-	22,620
Total 2019	105	22,515	22,620	

4. Funding for the trust's education

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<i>DfE/ESFA grants</i>			
General Annual Grant	1,787,505	1,787,505	1,723,532
Other Dfe / ESFA grants	336,069	336,069	274,636
	2,123,574	2,123,574	1,998,168
Total 2019	1,998,168	1,998,168	

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
External catering	18,421	18,421	31,569
Other	27,277	27,277	134,383
	<u>45,698</u>	<u>45,698</u>	<u>165,952</u>
	<u>165,952</u>	<u>165,952</u>	
Total 2019			

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	644	644	1,183
	<u>1,183</u>	<u>1,183</u>	
Total 2019			

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	52,961	-	2,164	55,125	56,278
Education:					
Direct costs	1,208,422	-	239,138	1,447,560	1,479,251
Allocated support costs	239,690	142,583	223,603	605,876	627,659
	<u>1,501,073</u>	<u>142,583</u>	<u>464,905</u>	<u>2,108,561</u>	<u>2,163,188</u>
Total 2019	<u>1,525,350</u>	<u>223,068</u>	<u>414,770</u>	<u>2,163,188</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	<u>1,447,560</u>	<u>605,876</u>	<u>2,053,436</u>	<u>2,106,910</u>
Total 2019	<u>1,479,251</u>	<u>627,659</u>	<u>2,106,910</u>	

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Education 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	239,690	239,690	204,811
Depreciation	33,130	33,130	30,173
Other costs	46,570	46,570	56,315
Maintenance of premises and equipment	50,098	50,098	35,458
Cleaning	32,654	32,654	34,563
Rent and rates	19,957	19,957	21,136
Heat and light	30,064	30,064	31,550
Insurance	28,972	28,972	45,260
Security and transport	12,391	12,391	35,336
Catering	94,398	94,398	112,962
Technology costs	7,591	7,591	6,136
Bank interest and charges	527	527	1,041
Governance costs	9,834	9,834	12,918
	<u>605,876</u>	<u>605,876</u>	<u>627,659</u>
Total 2019	<u>627,659</u>	<u>627,659</u>	

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	130,715	127,758
Fees paid to auditors for:		
- audit	8,276	5,750
- other services	2,500	3,025

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,068,085	1,097,673
Social security costs	86,054	87,274
Pension costs	206,443	154,391
	<u>1,360,582</u>	<u>1,339,338</u>
Agency staff costs	125,735	166,959
Staff restructuring costs	14,756	19,053
	<u>1,501,073</u>	<u>1,525,350</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	14,756	19,053
	<u>14,756</u>	<u>19,053</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	16	18
Administration and support	35	39
Management	4	4
	<u>55</u>	<u>61</u>

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. Key management personnel

The key management personnel of the trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £287,832 (2019 £269,316).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2020	2019
	£	£
Sadia Kabil Raja (Resigned 31 December 2018)	Remuneration	10,000 - 15,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Total £
<i>Cost or valuation</i>			
At 1 September 2019	4,879,270	682,123	5,561,393
Additions	-	37,432	37,432
At 31 August 2020	4,879,270	719,555	5,598,825
<i>Depreciation</i>			
At 1 September 2019	540,195	609,729	1,149,924
Charge for the year	97,585	33,130	130,715
At 31 August 2020	637,780	642,859	1,280,639
<i>Net book value</i>			
At 31 August 2020	4,241,490	76,696	4,318,186
At 31 August 2019	4,339,075	72,394	4,411,469

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Debtors

	2020 £	2019 £
<i>Due within one year</i>		
Other debtors	7,211	101
Prepayments and accrued income	34,791	46,538
VAT recoverable	26,155	25,253
	<u>68,157</u>	<u>71,892</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	52,980	79,158
Other taxation and social security	19,770	20,762
Other creditors	16,907	11,642
Accruals and deferred income	32,836	37,461
	<u>122,493</u>	<u>149,023</u>

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	329,537	46,342	(55,125)	-	-	320,754
Restricted general funds						
General Annual Grant (GAG)	161,939	1,787,505	(1,412,459)	(37,432)	-	499,553
Other Dfe/EFSA Grants	77,673	183,233	(260,906)	-	-	-
Pupil Premium	25,520	152,836	(178,356)	-	-	-
Pension reserve	(314,000)	-	(71,000)	-	(130,000)	(515,000)
	(48,868)	2,123,574	(1,922,721)	(37,432)	(130,000)	(15,447)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	4,411,469	-	(130,715)	37,432	-	4,318,186
Total Restricted funds	4,362,601	2,123,574	(2,053,436)	-	(130,000)	4,302,739
Total funds	4,692,138	2,169,916	(2,108,561)	-	(130,000)	4,623,493

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds (continued)

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

The GAG must be used for the normal running costs of the Free School. Under the funding agreement with the Secretary of State, the Free School was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2020.

Other Dfe/ESFA Grants are allocated against the particular purpose for which they are provided.

Other restricted income represents surpluses which have been generated from the School's trading activities which the Trustees have earmarked for future capital replacements.

Restricted fixed assets have been funded by government grants, sponsors and surpluses from trading activities.

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	218,575	167,240	(56,278)	-	-	329,537
Restricted general funds						
General Annual Grant (GAG)	182,393	1,681,791	(1,673,973)	(28,272)	-	161,939
Other Dfe/EFSA Grants	15,615	153,247	(91,189)	-	-	77,673
Pupil Premium	28,380	163,130	(165,990)	-	-	25,520
Pension reserve	(143,000)	-	(48,000)	-	(123,000)	(314,000)
	83,388	1,998,168	(1,979,152)	(28,272)	(123,000)	(48,868)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	4,488,440	22,515	(127,758)	28,272	-	4,411,469
Total Restricted funds	4,571,828	2,020,683	(2,106,910)	-	(123,000)	4,362,601
Total funds	4,790,403	2,187,923	(2,163,188)	-	(123,000)	4,692,138

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Analysis of net assets between funds**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,318,186	4,318,186
Current assets	320,754	622,046	-	942,800
Creditors due within one year	-	(122,493)	-	(122,493)
Provisions for liabilities and charges	-	(515,000)	-	(515,000)
Total	320,754	(15,447)	4,318,186	4,623,493

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,411,469	4,411,469
Current assets	478,560	265,132	-	743,692
Creditors due within one year	(149,023)	-	-	(149,023)
Provisions for liabilities and charges	-	(314,000)	-	(314,000)
Total	329,537	(48,868)	4,411,469	4,692,138

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	61,355	24,735
Adjustments for:		
Depreciation	130,715	127,758
Increase / decrease in debtors	3,735	5,835
Increase / decrease in creditors	(26,530)	22,149
Capital grants from Dfe and other capital income	-	(25,515)
Defined benefit pension scheme cost less contributions payable	65,000	44,000
Defined benefit pension scheme finance cost	6,000	4,000
Net cash provided by operating activities	240,275	202,962

19. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(37,432)	(23,572)
Net cash used in investing activities	(37,432)	(23,572)

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	874,643	671,800
Total cash and cash equivalents	874,643	671,800

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	671,800	202,843	874,643
	<u>671,800</u>	<u>202,843</u>	<u>874,643</u>

22. Pension commitments

The 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 West Yorkshire Pension Fund. 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 2016.

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

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the 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.

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Pension commitments (continued)**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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 employer's pension costs paid to TPS in the year amounted to £86,076 (2019 - £83,479).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £36,000 (2019 - £34,000), of which employer's contributions totalled £24,000 (2019 - £23,000) and employees' contributions totalled £ 12,000 (2019 - £11,000). The agreed contribution rates for future years are between 11.5 per cent and 16.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the trust at the balance sheet date.

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

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Pension commitments (continued)**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	3.45	3.25
Rate of increase for pensions in payment/inflation	2.2	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.0

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	22.2
Females	24.6	25.4
Retiring in 20 years		
Males	22.5	23.2
Females	25.7	27.2

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	851	615
Discount rate -0.1%	910	654
Mortality assumption - 1 year increase	848	613
Mortality assumption - 1 year decrease	912	655
CPI rate +0.1%	906	648
CPI rate -0.1%	854	620

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Pension commitments (continued)**Share of scheme assets**

The trust's share of the assets in the scheme was:

	2020 £	2019 £
Equities	285,000	248,320
Gilts	35,000	33,600
Corporate bonds	18,000	14,400
Property	16,000	14,080
Cash and other liquid assets	6,000	6,080
Other	5,000	3,520
Total market value of assets	365,000	320,000

The actual return on scheme assets was £10,000 (2019 - £46,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(89,000)	(46,000)
Past service cost	-	(21,000)
Interest cost	(6,000)	(4,000)
Total amount recognised in the Statement of financial activities	(95,000)	(71,000)

RAINBOW SCHOOLS TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	634,000	369,000
Interest cost	12,000	11,000
Employee contributions	12,000	11,000
Actuarial losses	134,000	162,000
Benefits paid	(1,000)	14,000
Past service costs	-	21,000
Current service cost	89,000	46,000
At 31 August	880,000	634,000

Changes in the fair value of the trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	320,000	226,000
Interest income	6,000	7,000
Actuarial gains	4,000	39,000
Employer contributions	24,000	23,000
Employee contributions	12,000	11,000
Benefits paid	(1,000)	14,000
At 31 August	365,000	320,000

RAINBOW SCHOOLS TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Operating lease commitments

At 31 August 2020 the trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	14,354	7,990
Later than 1 year and not later than 5 years	38,184	27,082
	<u>52,538</u>	<u>35,072</u>

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

25. Related party transactions

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