

**THE SIGMA TRUST**  
(A company limited by guarantee)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



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**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Richard Moodey Nick Pavitt Brian Palmer Sara Cullis Andrew Smith
<b>Trustees</b>	Nick Pavitt, Chair of Trustees <sup>3</sup> Bharat Parmar <sup>2</sup> Kay Maddox-Daines <sup>2</sup> Clive Bull <sup>1</sup> Steve McGrath, Vice Chair, Chair of Risk & Audit Committee <sup>1,2</sup> Adrian Leggett, Chair of Finance <sup>1,3</sup> Jeff Brindle, Chief Executive Officer and Accounting Officer <sup>1,3</sup> Sue Hammond (appointed 5 December 2018) <sup>2,3</sup> Stephen Wyatt (appointed 5 December 2018) <sup>1,3</sup> Carol Carlsson Browne <sup>1,3</sup> Bradley Powell <sup>1,2</sup>  <sup>1</sup> Finance Committee <sup>2</sup> Audit and Risk Committee <sup>3</sup> Standards Committee (established from 01/09/2019)
<b>Company registered number</b>	07926573
<b>Company name</b>	The Sigma Trust
<b>Registered office</b>	Clacton County High School 51 Walton Road Clacton On Sea Essex CO15 6DZ
<b>Principal operating office</b>	Tendring Education Centre Jaywick Lane Clacton On Sea Essex CO16 8BE
<b>Company secretary</b>	Sharon Burns
<b>Chief Executive Officer</b>	Jeff Brindle

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
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**Senior management team  
(Executive Committee)**

Neil Gallagher, Executive Headteacher, Clacton County High School,  
& Colne Community School and College  
Chris Taylor, Head of School, Clacton County High School (appointed 01/03/2019)  
Fiona Pierson, Headteacher, St Helena School  
Scott Holder, Director of Education, Executive Headteacher,  
Philip Morant School and College  
Jonathan Bland, Headteacher, The Stanway School  
Helena Boast, Headteacher, Thomas Lord Audley School  
Claire Holmes, Headteacher, Monkwick Infant & Nursery School  
Rebecca McCutcheon, Headteacher, Monkwick Junior School  
Stephen Crane, Head of School, Colne Community School & College (appointed  
01/03/2019)  
Kate Finch, Headteacher, Harwich and Dovercourt High School  
Carol-Anne Moffat, Headteacher, Paxman Academy  
Brian Markham, Chief Operations Officer (to 31/12/2018), Chief Operations & Finance  
Officer (from 01/01/2019)  
Jacqueline Tomkins, Chief Financial Officer (resigned 31/12/2018)  
Lyn Wright, Director of Standards (21/02/2019 to 31/10/2019)

**Independent auditors**

Griffin Chapman  
Chartered Accountants  
Statutory Auditors  
4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

**Bankers**

Lloyds Bank  
27 High Street  
Colchester  
Essex  
CO1 1DU

**Solicitors**

Essex Legal Services  
Newbridge House  
60-68 New London Road  
Chelmsford  
Essex  
CM2 0PD

Michelmores LLP  
Woodwater House  
Pynes Hill  
Exeter  
EX2 5WR

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1st September 2018 to 31st August 2019. The Annual Report serves the purpose of both a Trustees' report, and a directors' report under company law.

As at 31st August 2019, the Trust operated two primary academies; one includes a nursery provision, seven secondary academies; four of which offer post 16 provision, and a new build Free School which was handed to the Trust in June 2019 and opened on 1st September 2019. In addition to these the Trust re-brokered two primary schools in to its family of schools on 1st October 2019. All academies, including those who joined the Trust in 2019, serve a catchment area in the Colchester and Tendring locality. The Trust has a combined NET Pupil Capacity of 11,253 an increase of 4,783 (2018) and had a number on roll of 9,455 in the Autumn 2019 census an increase of 3,485 (2018).

The Sigma Trust academies are:

- Clacton County High School ~ 11-18 provision ~ Founding Sigma Academy
- Harwich and Dovercourt High School ~ 11-18 provision ~ Rebrokered in June 2017
- St Helena School ~ 11-16 provision ~ Founding Sigma Academy
- The Stanway School ~ 11-16 provision ~ Founding Sigma Academy
- The Thomas Lord Audley School ~ 11-16 provision ~ Founding Sigma Academy
- Monkwick Infant & Nursery School ~ 2-7 provision (Including Nursery) ~ Founding Sigma Academy
- Monkwick Junior School ~ 7-11 provision ~ Founding Sigma Academy
- The Colne Community School and College ~ 11-18 provision ~ rebrokered in January 2019
- Philip Morant School and College ~ 11-18 provision ~ rebrokered in January 2019
- Paxman Academy, Free School ~ 11-16 Provision ~ Free School opened September 2019

In addition to the above schools, the Secretary of State for Education approved the below primary schools to be rebrokered in to the Trust on 1st October 2019.

- Alton Park Junior School ~ 7-11 provision
- Holland Park Primary School ~ 4-11 provision

The above two schools have further increased our NET pupil capacity by 900 and our number on roll by 869.

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Sigma Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as The Sigma Trust.

The Sigma Trust trading institutions are:

- Alton Park Junior School – 7-11 provision
- Clacton County High School - 11-18 provision
- Colne Community School and College – 11-18 provision
- Harwich and Dovercourt High School – 11-18 provision
- Holland Park Primary School – 4-11 provision
- Monkwick Infant & Nursery School – 2 - 7 provision (including Nursery)
- Monkwick Junior School 7 - 11 Provision
- Paxman Academy – 11-16 provision
- Philip Morant School and College – 11-18 provision

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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- St Helena School 11-16 provision
- The Stanway School – 11-16 provision
- The Thomas Lord Audley School – 11-16 provision
- North Essex Teacher Training (NETT) – Teacher Training provision

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees' Indemnities**

In accordance with the Companies Act 2006 s236 the Trust has purchased Trustees' Liability Insurance to protect the Trustees and Officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The cover under the policy is £10 million; this is held with the Education Skills Funding Agency's Risk Protection Arrangement. In the period under review there have been no claims made against this policy.

**Method of Recruitment and Appointment or Election of Governors**

The Academy Board of Trustees shall comprise of no less than three Trustees and not be subjected to any maximum.

As per the Articles of Association, the Academy Trust will endeavour to set the following structure,

- Up to eight Trustees (to be elected and confirmed by the Members)
- The Chief Executive Officer (providing that the CEO agrees to act, appointed by the Members)
- The Academy Trust may appoint up to three co-opted Trustees under Article 58.
- A minimum of two Parent Trustees if no Local Governing Boards are established.
- Up to a maximum of one third of Trustees to be employees, including the CEO if they choose to act.

*The Sigma Trust has established Local Governing Boards (rebranded to Local Governance Committees (LGCs) from 1st September 2019) and each LGB has a minimum of two parent Governors.*

All Trustees are appointed for a four-year period and are able to be re-elected continually every four years subject to remaining eligible to be a particular type of Trustee; any Trustee may be re-appointed or re-elected at a general meeting. A parent Trustee will remain eligible for re-appointment while they continue to have children at a Trust school.

The Trust has five Members; these positions are filled by the original appointments at the establishment of the Trust. An employee of the Trust is not eligible to hold the post of a Member. Appointment to the position of Member must be made by majority of remaining Members and subject to the signing of written consent to become a Member and entered into the Register of Members.

When the need arises to fill a vacant Trustee position on the Board, the Members take this opportunity to review the skills within the remaining body and look to complement any perceived skills shortage with new Trustees pertaining those attributes, this may be through targeted approaches to known individuals, canvassing letters to relevant industry fields, recruitment via the DfE's Academy Ambassadors programme or recruitment events advertised in local media. Any potential Trustees are then 'interviewed' by a Member and Trustee to ensure the appropriate skills required are evident during this process.

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**TRUSTEES' REPORT (CONTINUED)**  
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The Trustees have established Local Governing Boards (LGBs) for its academies which will be directly accountable to the Trustees. Article 100 of the Articles of Association provides for the appointment by the Trustees of committees (including LGBs) to whom the Trustees may delegate certain functions of the Trustees. The composition of the LGB shall be agreed between the Trust and the Local Governing Board but shall include:

- No less than nine and no more than fifteen members
- At least two parent members
- The Headteacher of the relevant academy or academies
- A maximum of a third of its members to be employees of The Sigma Trust, unless co-opted by the Board of Trustees.

The first LGB will be established by the Board of Trustees. Thereafter each LGB will propose future members, subject to formal appointment by the Trustees, delegated to the CEO. Whilst each LGB will look to recruit its own members, it is the responsibility of the Trust Board both to appoint and, should it ever be required, to dismiss individual LGB members.

The Trustees shall have the right (but shall not be required) to direct that any one member or all members of the LGB resign their post(s). Every individual LGB member will be required to make an application and self-evaluation of skills and experience as part of the application process. This will be annually updated and will be used to inform a training programme for LGB members.

The Trustees will appoint the initial Chair of each LGB and then, thereafter, each academy shall annually appoint its own Chair subject to confirmation by the CEO who will report the appointment to the Trustees.

Members of LGBs are appointed for a three-year term in the first instance. Thereafter, a member may put themselves forward for reappointment. This will be subject to the agreement of the Trustees and delegated to the CEO for approval.

**Policies and Procedures Adopted for the Induction and Training of Trustees and LGB members.**

New Trustees attend an induction meeting with the CEO and Chair of the Trustees to understand the role and expectations to support and challenge the Trust. All Trustees undertake training as appropriate to their work at the Trust and the relevant responsibility of which they may undertake. For the academic year 2019-20 an afternoon training session will be carried out after every Trustees' meeting to carry out strategic training specific to the role of Trustee within the Trust.

The Chair of the Trustees meets termly with LGB Chairs to share best practice, arrange relevant collaborative Trust training sessions and share relevant information and views for both LGBs and Trustees. The Trust has completed a full skills review of all its Trustees and LGB members and has identified key, targeted training sessions to be completed throughout the 2018-19 and 2019-20 academic year.

**Organisational Structure**

The Trustees, are responsible for the overall management and control of the Trust, its academies and the Teacher Training Scheme (NETT).

The Trustees have established a clear structure to delegate strategic and operational management to the Trust's Chief Executive Officer. The CEO is supported directly by a senior team of three, a Director of Standards, a Director of Education and a Chief Operations & Finance Officer. Day to day management of the academies is delegated to the Headteachers, and the management of the Teacher Training Scheme is delegated to the NETT Scheme Directors (Primary & Secondary).

The CEO is the Trust Accounting Officer and has overall responsibility for the appropriate use of the Trust's funding. The Executive Committee of the Trust meets monthly with the CEO and addresses both day to day and strategic planning to ensure the Trust can achieve the Trust's Strategic Improvement Plan. The CEO has responsibility for ensuring the Trust's Strategic Improvement Plan is delivered and that the Trust's Plan is

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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embedded within each individual academy's Strategic Improvement Plans.

The Trust's Strategic Improvement Plan is categorised into nine defined areas:

1. Leadership & Management
2. Quality of Education
3. Personal Development
4. Behaviour and Attitudes
5. Early Years Provision
6. Sixth Form Provision
7. Operational
8. Financial
9. Governance

The day to day procedures of the Trust and its academies are managed in line with the relevant policies approved by the Board of Trustees or associated committees. Academy expenditure is managed in line with the Finance Regulations and the approved budget.

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

The setting of remuneration for all Trust employees, including the Chief Executive Officer, is based on nationally agreed pay and conditions. The Trust has established employment policies including a Pay Policy and Performance Management Policy, these policies are in place for all Trust employees.

As identified in the Trust's Pay Policy, the leadership and management team's remuneration is based on the criteria set out in the nationally agreed Pay and Conditions documents and is benchmarked against the nationally agreed leadership pay ranges. The Headteachers' pay ranges are based on the established group size for an academy, these are then reviewed in light of any additional responsibilities undertaken by the Headteachers such as support for other schools. Other leadership salaries are determined by the LGBs in collaboration with the Trust's CEO ensuring that responsibilities are remunerated in a fair and transparent manner and that there are sufficient differentials between each tier of management.

All staffing; including key personnel, are subject to robust, evidence based performance management processes and these are monitored by the LGBs and CEO. When reviewing the staffing structures, reviews of the successes and challenges of the academies as well as value for money are considered against expended funds on leadership staffing costs.

An external professional advisor is used within the performance management process for all academy Headteachers and the CEO. A full report is provided to the Board of Trustees for the approval of the remuneration for the Executive Committee including the CEO.

The Trustees do not offer 'bonus' or 'gratuity' payments to any staff, including key management.

**Trade Union Facility Time**

Relevant Union Officials

Number of employees who were relevant union  
officials during the relevant period  
18

Full-time equivalent employee number  
10.4



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**FOR THE YEAR ENDED 31 AUGUST 2019**

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	12
1%-50%	6
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£2,421
Total pay bill	£40,056,895
Percentage of total pay bill spent on facility time	0.006%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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**Connected Organisations, including Related Party Relationships**

To support the Trust and its academies with achieving their objectives, the Trust and associated academies liaise with likeminded organisations such as the Local Authority, other Government affiliated partners and Department for Education associated bodies as well as many other local educational providers, local schools and higher educational providers.

The Sigma Trust is also the recognised legal entity by the Department for Education for the North Essex Teacher Training (NETT) ITT scheme. The Trustees have established a LGB to have oversight of the scheme.

The CEO leads the NETT Directors to operate the scheme in line with the guidance and expectations set out by the DfE and ESFA. The financial and governance policies for the NETT scheme are imbedded within the Trust's policies and procedures.

The four Trust 16-18 academies also work in partnership with other local 16-18 secondary schools in the locality and Essex University to form the VI6 initiative. This collaboration enables the sharing of best teaching and the generation of the broadest curriculum offer of minority subjects such as Further Maths and MFL, which could not be offered viably in a single institution.

All academies within the Trust are members of either ASHE (Association of Secondary Headteachers in Essex) or EPHA (Essex Primary Headteachers' Association). These two groups allow the sharing of best practice, educational policy changes and a route for information and guidance to be shared directly from Essex County Council to Headteachers.

The Academies have operational connections with Colchester's ITT provision CTTC, a national teacher recruitment and training scheme 'Teach First' and an alternative education provider; NEEAPS.

The Trust works in collaboration with the Learning Pathways Academy Trust, for the provision of primary school improvement and executive leadership support at the Trust's Primary Schools. The CEO of Learning Pathways Academy Trust, Andrew Smith, is a Member of Sigma and due to this connection all services provided by LPAT are either provided to Sigma at cost or at no cost.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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## **Strategic Report**

### **Objectives and Activities**

#### **Objects and Aims**

The Sigma Trust's main objectives are encompassed in our mission statement, our vision and our values:

#### **Mission**

To be "Greater Than the Sum of Its Parts" represents the mission statement for The Sigma Trust. We believe we are stronger and more successful working together than we would be as separate institutions. The mission for each academy within The Sigma Trust is to ensure that no child is left behind. Education should foster in its learners a curiosity to discover who they are and what they are capable of, together with developing the resilience for them to test the boundaries of their abilities, and build the skills necessary to face the future with confidence.

#### **Vision**

Our vision is to ensure that all of our academies are at least "Good" with strong and improving outcomes and are able to demonstrate outstanding provision. We will achieve this by:

- Establishing a local family of academies that fully embrace the mission, vision and values of the Trust.
- Ensuring that best practice becomes shared practice so that no school is left behind.
- Recognising the uniqueness and achievements of each academy.
- Enabling every school to be a giver and receiver of support.
- Developing a relationship where autonomy and accountability go hand in hand.
- Creating a centre of educational excellence and innovation within the area.
- Working in collaboration with others to enhance the educational experience of children in the community.
- Training, recruiting and retaining teachers, leaders and support staff through high quality professional development.
- Requiring that services are delivered efficiently and represent outstanding value for money.

#### **Values**

The Sigma Trust values the following attributes:

- Integrity - be honest, transparent, trustworthy and true to your beliefs.
- Passion - be positive and enthusiastic about what you are trying to achieve.
- Aspiration - aim for your best and set high, realistic goals.
- Resilience - never give up and strive to improve.
- Accountability - take responsibility for your words, thoughts and actions.
- Respect - for yourself, your environment and other people.

#### **Objectives, Strategies and Activities**

Our main objectives and success criteria for this period, were established in our 2018/19 Development plan, and were as follows:

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**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Strategic Intent</b>	<b>Core Objectives</b>	<b>Success Criteria</b>
To ensure that the curriculum models operating in all secondary schools maximise Progress 8 outcomes, whilst maintaining a broad and balanced offer for all students	<ul style="list-style-type: none"> <li>• Explore introducing block timetabling between neighbouring schools to achieve the above goal that develops the use of the Paxman Academy site</li> <li>• Ensure the curriculum is enriched through a wide and varied extra-curricular offer across all academies</li> </ul>	All academies achieve Progress 8 outcomes that are above average within each "bucket" and for all groups of students within a broad and balanced curriculum that also promotes students happiness and well-being
To ensure that the curriculum offer in primary schools is sufficiently rich to fully cover each of the Foundation subjects, whilst raising achievement in literacy and numeracy.	<ul style="list-style-type: none"> <li>• Develop the foundation subjects to ensure clear skills and learning intentions are evident and progressive.</li> </ul>	All Foundation subjects are fully covered and pupils' progress is monitored effectively
To ensure teachers' assessments are based on robust and objective models.	<ul style="list-style-type: none"> <li>• Implement an "Outward Grange" approach to intervention across all academies overseen by Director of Standards.</li> </ul>	Assessment outcomes are accurate in predicting summative performance and in identifying pupils who require intervention.
To review the quality of teaching in KS1 in relation to phonics and writing	<ul style="list-style-type: none"> <li>• Ensure outcomes at the end of KS1 ensure a smooth transition to KS2</li> </ul>	Phonics outcomes at end of Year 1 and results at the end of Year 2 match national outcomes
To continue to drive up levels of attendance and reduce persistent absence	<ul style="list-style-type: none"> <li>• Review impact of Attendance Solutions and adjust as necessary</li> </ul>	Attendance rates and levels of persistent absence are at or above national average for all groups of pupils
To continue to reduce fixed term exclusions and avoid permanent exclusions	<ul style="list-style-type: none"> <li>• Create in-house equivalent of STOP programme to eliminate Fixed Term Exclusions</li> <li>• Introduce Sigma wide Managed Moves and provide transport where necessary.</li> </ul>	No permanent exclusions and fixed term exclusions well below national average linked to improved behaviour in all schools
To raise levels of progress in all schools for all groups of pupils, particularly those from disadvantaged backgrounds	<ul style="list-style-type: none"> <li>• Continue to review areas of curriculum or groups of students that are underachieving and implement action plans</li> <li>• Develop cross Trust strategy for use of PPG and implement Pupil Premium Reviews in identified schools.</li> </ul>	Progress measures at all key stages are above national average in each school for all groups of pupils
To continue to raise attainment at all key stages	<ul style="list-style-type: none"> <li>• Review attainment outcomes for all academies for different groups of pupils</li> <li>• Identify intervention required</li> <li>• Continue to extend EBacc entry in all academies to ensure at least at National Average</li> </ul>	English and Maths attainment is at least in line with national average measures.
To ensure that Sixth Form provision across the MAT is of the highest quality, meets student needs, ensures best outcomes and is financially viable	<ul style="list-style-type: none"> <li>• Review Sixth Form provision across the Trust to widen choice and opportunities for all students.</li> <li>• Begin to relocate the Sixth Form at CCHS to the TEC site and create Sigma wide provision</li> <li>• Identify levels of provision required at HDHS and Colne.</li> </ul>	Sixth Form provision across the Trust is highly regarded, financially viable and achieves strong outcomes for students
To ensure that leadership is effective and with sufficient capacity to drive forward improvements in all academies and within the central team	<ul style="list-style-type: none"> <li>• Expand the central capacity to meet the growth identified in the number of academies.</li> <li>• Appoint an Estates Manager to have responsibility for day to day management</li> <li>• Appoint a Marketing and Communication Assistant</li> <li>• Appoint a Director of Standards and consider future succession planning</li> <li>• Strengthen leadership capacity in all academies as required.</li> </ul>	The Sigma Trust has the capacity to support existing schools and possible further expansion and leadership is strong in all academies.
To maximise recruitment on to initial teacher training programmes in order to provide all schools with a strong pool of NQTs	<ul style="list-style-type: none"> <li>• Continue to expand and strengthen the provision at NETT and ensure it is Ofsted ready</li> <li>• TeachFirst operational in all eligible schools.</li> <li>• Launch Teacher Apprenticeship scheme with a small cohort</li> </ul>	NETT has high levels of recruitment and is the provider of choice. All academies are able to recruit high quality NQTs.

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<b>Strategic Intent</b>	<b>Core Objectives</b>	<b>Success Criteria</b>
To ensure that ICT provision, in terms of hardware and support, is effective in all schools and managed centrally	<ul style="list-style-type: none"> <li>• Create a clear structure for the Network Manager team to ensure all academies are receiving an equal service</li> <li>• Introduce a Google platform in all schools to ensure effective communication and sharing of files across the Trust</li> </ul>	All academies have a strong ICT infrastructure that meets the educational and administrative needs
To ensure that Sigma has the capacity required for its existing academies whilst seeking opportunities to expand to support additional schools, particularly in the primary sector	<ul style="list-style-type: none"> <li>• Extend role of Primary Executive Lead as the number of primary schools increase</li> <li>• Expand the number of primary schools by demonstrating the strengths of the Trust to that sector</li> <li>• Ensure Paxman Academy is able to open on time</li> <li>• Provide the capacity necessary to support the re-brokerage of the Thrive schools</li> </ul>	Sigma is able to expand to 15 academies to provide optimum revenue and create a local family of schools that fully embrace the mission, vision and values of the Trust.
To ensure that the buildings are maintained to high level to provide a high quality learning environment for all pupils	<ul style="list-style-type: none"> <li>• Work started on the major expansion at CCHS and transfer of Sixth Form to TEC</li> <li>• Further investigate sale of land at HDHS and planned improvements on site initiated.</li> <li>• Paxman Academy under construction and completed at end of year.</li> <li>• Expansion of Colne agreed and plans submitted</li> <li>• Remodelling of Stanway hall and kitchen fully costed and agreed</li> <li>• Planned programme of condition work underway</li> </ul>	Significant improvements made to the condition of the buildings across the Trust meeting the local demand for places
To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan.	<ul style="list-style-type: none"> <li>• Staff Deployment Analysis and similar benchmarking tools for support staff ensure further reductions in expenditure are achieved where necessary</li> <li>• Ensure that Colne and Philip Morant are financially sound and are able to deliver balanced budgets and rebuild reserves</li> </ul>	All academies are able to deliver in year balanced budgets and have identified use of their "capital" reserves linked to a long-term strategic plan.
To strengthen governance at all levels across the Trust	<ul style="list-style-type: none"> <li>• Appoint experienced "regional governors" who could serve on more than one LGB.</li> <li>• Review Governance structures and seek to create more joint LGB opportunities</li> </ul>	The Board of Trustees and each LGB has governors with the relevant levels of skills and expertise and with effective succession planning.
To create a Sigma wide approach to governance training and induction that ensures all Trustees and LGB members have the required skills and expertise	<ul style="list-style-type: none"> <li>• Roll out annual training programme targeted at individual LGB members and Trustees and review impact.</li> </ul>	LGB members have a greater understanding of their roles and responsibilities and are fully supported in their role.

### **Public Benefit**

The Sigma Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

### **Achievements and performance**

- 2019 has been a year of rapid expansion in the Sigma Trust. Five more schools joined the Trust; three secondary and two primary. This included the re-brokerage of two struggling two-school MATs and the opening of a Free School.
- Philip Morant and Colne were successfully re-brokered on 1<sup>st</sup> January 2019 and are making rapid improvement in the areas identified by Ofsted in 2018. In terms of outcomes, Colne was one of the most improved schools in Essex, testament to our early intervention. Leadership, safeguarding and governance is now all secure in both schools.
- Holland Park and Alton Park were re-brokered on October 1<sup>st</sup> 2019 and Alton Park has significantly

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benefitted from the early intervention that Sigma and LPAT were able to provide. The school is now fully staffed with a permanent Headteacher and an experienced team of teachers seconded from across LPAT and Sigma schools. The school has now been fully stabilised.

- In June 2019 we managed the successful completion and handover of the circa £15 million Paxman Academy Free School. This opened on time at the start of September, fully staffed, at full capacity with a waiting list for pupils.
- The four original Sigma secondary schools have had a strong year. St Helena and TLA have made rapid improvements. The new leadership at St Helena has been very effective and has given the school a clear sense of direction. CCHS and Stanway have again achieved strong outcomes.
- The two Monkwick schools had a slightly mixed year. Monkwick Infants had an excellent Ofsted inspection in June and is now securely Good, having previously been rated RI. Leadership, teaching, the curriculum and pupil welfare were all celebrated in the report and the school has demonstrated that it has the capacity to support others. Monkwick Juniors is still making strong progress although outcomes in Reading dipped this year. Leadership has been strengthened further this year and there is a calm and purposeful atmosphere in the school.
- The Central Team has been further strengthened by the appointment of Lyn Wright as Deputy CEO and she oversees the school improvement side of the Trust. Additional staff have been appointed to provide TLA and Harwich with additional leadership capacity and a new role of Assistant Director of Education has been created to ensure that attendance, exclusion and referrals are effectively overseen across the Trust.
- The Operational Team is fully established and very effective. This has ensured that the rapid expansion in 2019 was handled highly professionally. The team has been called on to provide support for other MATs in the region and have demonstrated the strength of centralising this work. The team has been enhanced by the appointment of a Trust Management Accountant, Estates Manager and Governance Officer increasing support for Trustees and Trust Academies.
- Finance remains secure across the Trust and benchmarking and other tools have been developed and enhanced to ensure all schools are run efficiently.
- Estates management has also grown this year. The team is now responsible for managing an annual School Condition Allocation of over £2 million. This has ensured that all schools have been brought up to a high specification. The team is also overseeing significant expansions at CCHS and Colne and further work commissioned out of the reserves in the Trust. Overall there has been £4.5 million of investment in the estate over the past 12 months.
- Governance has been enhanced at Trust and LGB level recruiting colleagues with the skills to make an impact. Shared and joint LGB structures have also been created to maximise support and challenge. All LGBs have a Trustee on their committee to ensure effective communication exists at all levels of governance.

### **Key Performance Indicators**

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

<b>Financial Key Performance Indicators</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
Total income per pupil	£6,413	£6,011	£6,026
GAG/Grant income per pupil	£5,368	£5,120	£4,864
Staff costs as % total income	80.27%	77.38%	80.59%
Staff costs as % GAG/Grant income	89.98%	91.38%	85.48%
Staff costs as % total expenses	87.43%	73.98%	72.44%
Teaching staff costs as % total staff costs	73.02%	68.72%	75.91%
Cash as % total income	20.19%	23.62%	21.89%
Current assets to current liabilities ratio	2.32	3.04	3.72

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Primary Academy KPIs**

	National Average		Monkwick Junior School		Monkwick Infant & Nursery School	
Joined Sigma			Sep-16		Sep-16	
Type			Re-brokered		Converter	
Ofsted grade			Requires improvement Good - Personal, Behaviour and Welfare		Good	
Date of inspection			Jul-18		Jun-19	
Attendance	2018/19		2017/18		2018/19	
Average attendance	96.1%		96.0%		94.5%	
Persistent absence	8.4%		6.1%		16.7%	
KS2 outcomes	2018		2017/18		2018/19	
Progress			All		All	
Reading			-2.2			
Writing			-0.2			
Maths			-4.2			
Attainment	Exp.	GD	Exp.	GD	Exp.	GD
Combined	65%	11%	38%	0%	36%	4%
Reading	73%	27%	65%	10%	47%	17%
Writing	79%	20%	69%	13%	70%	9%
Maths	78%	27%	50%	4%	53%	15%
	2018/19		2017/18		2018/19	
Attainment	Exp.	GD			Exp.	GD
Reading	75%	25%			70%	9%
Writing	69%	15%			62%	9%
Maths	76%	22%			65%	10%
Phonics year 1	83%				85%	
GLD	72%				53%	

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Secondary Academy KPIs**

	Net Ave	Clacton County High School		Harwich & Dovercourt School		St Helena School		The Stanway School		Thomas Lord Audley School		Colne Community School		Philip Morant School	
Joined Sigma		Sep-16		Jun-17		Sep-16		Sep-16		Sep-16		Jan-19		Jan-19	
Type		Converter		Re-brokered		Converter		Converter		Converter		Re-brokered		Re-brokered	
Ofsted Grade		Good Outstanding-Leadership. Post16		No current report <i>Predecessor - Good</i>		Good		Good		Good		No current report <i>Predecessor - Special Measures</i>		No current report <i>Predecessor - Serious Weaknesses</i>	
Date of inspection		Sep-18		Jul-16		Dec-17		Mar-17		Apr-16		May-18		May-18	
Attendance	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
Average attendance	94.8%	95.3%	95.0%	94.6%	93.7%	94.3%	95.1%	95.2%	95.2%	93.7%	94.1%	94.8%	94.3%	94.6%	94.4%
Persistent Absence	12.7%	10.8%	10.7%	12.7%	17.4%	11.0%	13.6%	9.1%	8.8%	12.2%	13.4%	13.9%	13.8%	13.9%	12.1%
KS2 prior attainment	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
Ave. Pts. Score	28.7	26.6	27.0	28.1	28.1	27.6	28.4	28.6	29.2	26.7	27.8	29.0	29.4	29.1	30.2
KS4 outcomes	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19
Progress 8 - all	-0.03	0.24	0.29	-0.64	-0.71	-0.57	-0.30	0.07	0.14	-0.36	-0.16	-0.48	-0.13	0.15	-0.03
Attainment 8 - all	44.5	43.8	44.0	38.7	38.0	38.0	42.6	47.5	49.4	38.1	41.5	43.5	47.8	49.5	49.2
EBacc Ave. Pts	3.86	3.07	3.2	3.07	3.1	3.17	3.58	4.1	4.25	3.23	3.62	3.34	3.71	4.35	4.29
EN & MA 5+	39.8%	25%	22.9%	24%	25.8%	26%	32.9%	40%	44.1%	27%	39.6%	34%	45.3%	43%	50.7%

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust and its affiliated schools have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues 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 note of the financial statements.

**Financial Review**

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31st August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31st August 2019, total expenditure of £54,243,306 was greater than recurrent grant funding from the ESFA and other incoming resources. The excess of expenditure over income for the year

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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(excluding restricted fixed asset funds) was £10,291,575. This included the inherited pension deficits of the academies transferred in of £8,984,000. All expenditure has supported the objectives of the Academy Trust. The restricted and unrestricted income reserves held at 31st August 2019 were £6,234,613. These reserves are held to support the Academy Trust's budget in times of reduced funding levels. The surplus for the year on restricted general funds (excluding pension) and unrestricted funds was £992,425, due to funds received from academies transferred in.

At 31st August 2019 the net book value of fixed assets was £110,999,209 and movements in tangible and intangible fixed assets are shown in notes 15 and 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The balance sheet includes a liability of £33,080,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see note for further details).

All Trust accounting policies have been consulted on and implemented with sound levels of financial authorisation.

Following the re-brokerage of The Colne Community School and Philip Morant School on 1<sup>st</sup> January 2019, the Trust's School Condition Allocation increased to £2million, which allowed the completion of the first three year Estates Plan, including the urgent investment of £550k into Philip Morant School. In addition to the increase of the SCA Fund, and at the agreement of the RSC's office for the impending re-brokerage of Alton Park Junior School into the Trust on 1<sup>st</sup> October 2019, a successful bid has been received for a £73,173 Emergency Fund to support with immediate intervention at the school.

As stated above, the Trust's School Condition Allocation for 2019-20 was increased to £2,002,727. The Trustees ensured the successful delivery of the additional roofing works at Harwich and Dovercourt High School along with new curtain walling of the gym and full refurbishment of two sets of student washroom facilities, major mechanical and electrical work at The Thomas Lord Audley site, significant ACM removal works at Monkwick Junior School, complete demolition and replacement of kitchen and dining facilities at both The Stanway School and St Helena School and urgent ventilation installation works at Philip Morant School as the key projects. In addition to these works, the Trust undertook full external health & safety audits and continues with intrusive surveys across the estates covering fire compartmentation, asbestos registers and L8, water management.

Due to the new free school joining the Trust, we received part one of the agreed start-up grant for £437,400 from Essex County Council to enable the Trust to ensure the new school is fully equipped to receive the first cohort of students on 1<sup>st</sup> September 2019. The central officers and Headteacher designate were able to identify and prioritise this spending to maximise the impact of these funds and have been able to fully furnish approximately 85% of the building including all the Science and Technology rooms, install one of the two IT rooms and ensure the ICT infrastructure is in place to ensure future growth and installations are fully compliant for future integration.

#### **Reserves Policy**

The Trustees consider it essential to maintain a level of useable reserves, which is sufficient to meet the requirements of any unexpected and unplanned financial expenditure so that the Trust's primary objective is maintained, while at the same time ensuring that it uses its funding to the benefit of students on roll at the time funding is issued.

In deciding the level of reserves in any financial year Trustees will take into account the following:

- Potential reduction in income due to fluctuation and variance in student numbers in the locality.
- Reduction in Nursery placement uptake in Monkwick Infant & Nursery School
- Lower student transition in the four post 16 schools from 11-16 to 16-18 provision
- Uncertainty, turbulence or expected reduction in funding from the ESFA



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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- uncertainty and concern over the affordability of the PFI contract over the long term of the contract at Clacton County High School.
- Significant condition issues within the Trust's estate
- Educational or safeguarding concerns within one or more of the Trust's academies

The Trust has total funds of £85,196,096 as at 31st August 2019, £112,041,483 of which is held in the restricted fixed asset fund and £110,999,209 of that can only be realised by disposing of tangible and intangible fixed assets.

The Trust is holding reserves of £6,234,613 of which £4,869,959 is an unrestricted general reserve fund predominantly inherited on original transfer of schools into The Sigma Trust in 2016 and inherited from subsequent academies transferring in. Included in this figure is £955,801 from the transfer of funds from the re-brokerage of The Colne Community School and Philip Morant School on 1<sup>st</sup> January 2019. The remainder of this holding reserves figure is £1,364,654 which has been accrued since the formation of Sigma and the subsequent joining schools.

During the 2018-2019 financial year reserves have been used to undertake the following projects:

- Investment in the upgrade of student washroom and dining facilities at St Helena School.
- Planned over staffing at Clacton County High School, Monkwick Infant & Nursery School and St Helena School to add capacity within the Trust or individual school.

The Trustees continue to work on strategic plans for the following investment projects planned across the Trust in 2019-2020:

- 3 FE expansion at Clacton County High School and movement of post 16 provision,
- 2 FE expansion at Colne Community School & College.
- Proposed sale of 'The Grange' property at Harwich and Dovercourt High School.
- Upgrade of Science & Technology subjects at Harwich & Dovercourt High School, The Thomas Lord Audley School, St Helena School and Philip Morant School.
- Remodelling/reconstruction of the gym, dining and kitchen facilities at The Stanway School.
- Continuation of roofing and mechanical infrastructure replacement across all Trust school
- Investment in curriculum resources across the Trust
- Additional over staffing capacity in identified areas

The balance sheet includes a liability of £33,080,000 in relation to the Trust's FRS 102 disclosure of the Local Government Pension Scheme (see pensions note for further details).

#### **Investment Policy**

The Trustees acknowledge the need to consider maximising any potential for income from reserves held by the Trust, however, it also acknowledges the requirement to ensure these funds are invested in any no risk opportunities.

The Trust uses a bank account which was approved by the Trustees and maintains a balance in that account that is sufficient to cover immediate and forthcoming financial commitments. Monies surplus to these requirements are invested in an account in the name of the relevant academy and a savings account is operated by the Trust to maximise the reserves, however this savings account is a low risk option.

#### **Principal Risks and Uncertainties**

The Sigma Trust's risk management processes aim to minimise the perceived risk to the Trust. The main current risk of any materiality relates to the deficit the Trust holds in the Local Government Pension Scheme.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Monthly payments to reduce this deficit have been paid throughout the period. Due to the current volatility of the Bonds Market, it is likely that this deficit will continue to increase despite the payments having been made.

The Trustees consider that in addition to the LGPS Pension Scheme, the principal risks and uncertainties facing the Trust are:

- Planning for substantial increase in school rolls and the impact this will have on student management and capacity of the site's infrastructure.
- Maintaining standards of education and examination and key stage outcomes.
- Complying with legislative requirements regarding employment law, GDPR, discrimination, Companies House and HMRC, child protection, the Charity Commission.
- Future pay award recommendations from both the Local Government and Teacher's pay review bodies.
- Recruitment and retention of experienced staff.
- Continued increase in the Local Government Pension Scheme Liability.

The key controls used by the Trust include:

- Detailed terms of reference for all Committees of the Trust.
- A programme of appointing Trustees to be members of every Committee.
- Formal agendas for the Board and Committees.
- Schemes of Delegation and formal Financial Regulations.
- Formal written policies.
- Clear authorisation and approval levels.
- Policies and procedures required by law to protect the vulnerable.
- High quality appointments to all posts within the Trust.

The Trustees, CEO and Executive Committee members continue to monitor the risks that the Trust faces, and addresses these risks through the continued monitoring of the Trust's Risk Management Policy.

### **Fundraising**

Many of the Trust academies undertake charity fundraising events led by the student bodies within their schools; these events can take many forms from non-uniform days or fundraising for national events such as 'Red Nose Day' or BBC Children in Need. The monies are obtained from sponsorship from family and friends or donations directly made by the students and their families. All event contributions are voluntary and no students are excluded from taking part in events by not making a contribution.

All funds raised from these events are recorded separately within the Trust's accounting system and are paid directly to the identified charity.

The Trust has not received any complaints regarding its charity collections and does not undertake any process which would intimidate, exclude or apply undue pressure to any person to donate funds.

### **Plans for Future Periods**

The Board of Trustees has undertaken a full review of the needs of The Sigma Trust and its academies and have established the following Strategic Improvement Plan:

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Strategic Intent</b>	<b>Core Objectives</b>	<b>Success Criteria</b>
To ensure that the curriculum models operating in all secondary schools maximise Progress 8 outcomes, whilst maintaining a broad and balanced offer for all students.	<ul style="list-style-type: none"> <li>• Implement clear statements of intent across all schools</li> <li>• Ensure the curriculum at all key stages is enriched</li> <li>• Implement partial blocked timetabling and introduce collaborative arrangements at KS4 to widen choice.</li> <li>• Ensure KS3 curriculum in all schools prepares students for the target of 75% being entered for EBacc</li> <li>• Work with NEETSA TSA to ensure staff access to Teacher Subject Specialism Training (TSST) courses</li> </ul>	All academies achieve Progress 8 outcomes that are above average within each "bucket" and for all groups of students within a broad and balanced curriculum that also promotes students happiness and well-being
To ensure that the curriculum offer in primary schools is sufficiently rich to fully cover each of the Foundation subjects, whilst raising achievement in literacy and numeracy.	<ul style="list-style-type: none"> <li>• Extend Strategic Lead role to incorporate primary as well as secondary curriculum to strengthen and broaden the curriculum</li> <li>• Review the curriculum and assessment procedures to evaluate the impact.</li> <li>• Ensure all curriculum subjects evidence high standards of English and Maths skills and developing a natural curiosity of the world around them.</li> <li>• Pupils are able to use a range of meta-cognition skills to evaluate their learning and identify their next steps</li> </ul>	All Foundation subjects are fully covered and pupils' progress is monitored effectively
To implement agreed performance management policy and ensure that consistent standards are being applied in relation to the quality of teaching in all academies.	<ul style="list-style-type: none"> <li>• Ensure there are agreed protocols for lesson observation that are in line with union guidance</li> <li>• All staff to have a 5 year career plan that is linked to PMR and CPD opportunities</li> </ul>	Performance Management policy consistently implemented in all academies and linked to targeted CPD and talent management.
To enhance the quality of education in the classroom to ensure strong levels of engagement and high expectations	<ul style="list-style-type: none"> <li>• Develop a trust wide approach defining how the curriculum is implemented in the classroom</li> <li>• Use performance management to set clear objectives in terms of quality first teaching and monitor through lesson observations.</li> <li>• Ensure that homework policies are effective and implemented consistently.</li> </ul>	Quality of Education is judged at least Good in all academies
To continue to drive up levels of attendance and reduce persistent absence	<ul style="list-style-type: none"> <li>• Develop the role of Assistant Director of Education - Student Support to have oversight of attendance</li> <li>• Ensure best practice in relation to improving attendance is shared and implemented across all schools</li> <li>• Attendance Solutions to work across all Trust schools.</li> </ul>	Attendance rates and levels of persistent absence are at or above national average for all groups of pupils
To continue to reduce fixed term exclusions and avoid permanent exclusions	<ul style="list-style-type: none"> <li>• Develop the role of Assistant Director of Education - Student Support to manage all exclusions, referrals and managed moves in Sigma schools</li> <li>• Ensure the Pupil Tracker is kept up to date and clearly indicates the reasons for removal from school to ensure effective safeguarding</li> <li>• Pilot a secondary GROW in Colchester to develop a more inclusive approach for identified pupils</li> </ul>	No permanent exclusions and fixed term exclusions well below national average linked to improved behaviour in all schools
To raise levels of progress in all schools for all groups of pupils, particularly those from disadvantaged backgrounds	<ul style="list-style-type: none"> <li>• Review outcomes from exams and identify appropriate areas for intervention.</li> <li>• Consistently identify groups of students that are underachieving in all schools</li> <li>• LABS panels, or equivalent, to have a high profile and occur regularly in all schools</li> <li>• Implement findings from Pupil Premium reviews.</li> </ul>	Progress measures at all key stages are above national average in each school for all groups of pupils

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Strategic Intent</b>	<b>Core Objectives</b>	<b>Success Criteria</b>
To continue to raise attainment at all key stages	<ul style="list-style-type: none"> <li>• Review attainment outcomes for all academies for different groups of pupils</li> <li>• Identify intervention required</li> <li>• Continue to extend EBacc entry in all academies to ensure at least at National Average</li> <li>• Increase the proportion of students achieving Expected Outcomes and working at Greater Depth in primary schools.</li> </ul>	English and Maths attainment is at least in line with national average measures.
To ensure that Sixth Form provision across the MAT is of the highest quality, meets student needs, ensures best outcomes and is financially viable	<ul style="list-style-type: none"> <li>• Review Sixth Form provision across the Trust to widen choice and opportunities for all students.</li> <li>• Plan to relocate the Sixth Form at CCHS to the TEC site and to become the main hub for Sigma academies in Tendring</li> <li>• Identify any satellite provision at Harwich and Colne</li> <li>• Appoint key staff to lead the new centre</li> <li>• Plan similar provision at Philip Morant as a Sigma Sixth Form Centre</li> </ul>	Sixth Form provision across the Trust is highly regarded, financially viable and achieves strong outcomes for students
To ensure that leadership is effective and with sufficient capacity to drive forward improvements in all academies and within the central team	<ul style="list-style-type: none"> <li>• Appoint a Trust Data Manager to the central team to work with the Director of Standards to ensure all data is consistent across Sigma</li> <li>• Roll out talent management strategies to ensure succession planning is firmly in place.</li> <li>• Further enhance and extend the role of Strategic Leads</li> <li>• Exploit the new Civica HR software to monitor staff sickness absence and other data</li> </ul>	The Sigma Trust has the capacity to support existing schools and possible further expansion and leadership is strong in all academies.
To continue to develop in all schools how pupils are prepared for future success in education, employment and training	<ul style="list-style-type: none"> <li>• Enhance the Post 16 offer for all Sigma students by developing Sigma Sixth as an alternative to existing provisions.</li> <li>• Ensure Gatsby Benchmarks are used to strengthen career provision and advice in schools for pupils.</li> <li>• Implement a Sigma wide Careers Fair based at TEC to widen the choices for all students and help to raise aspirations.</li> <li>• Ensure effective transition arrangements are in place at KS1 and 2 and are enhanced between Sigma schools</li> </ul>	Reduce NEET figures across Sigma schools. Increase Sixth Form uptake in Tendring and Colchester Transition between different stages of education is highly effective.
To maximise recruitment on to initial teacher training programmes in order to provide all schools with a strong pool of NQTs	<ul style="list-style-type: none"> <li>• Continue to expand and strengthen the provision at NETT.</li> <li>• All Sigma schools to take trainees from NETT</li> <li>• TeachFirst operational in all eligible schools.</li> </ul>	NETT has high levels of recruitment and is the provider of choice. All academies are able to recruit high quality NQTs.
To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan.	<ul style="list-style-type: none"> <li>• Staff Deployment Analysis and similar benchmarking tools for support staff ensure further reductions in expenditure are achieved where necessary</li> <li>• Work with identified schools to ensure they have a strategy to achieve required level of reserves</li> <li>• Agree planned use of free reserves, particularly where linked to large building projects</li> <li>• Continue to improve the quality of the management accounts to Trustees</li> </ul>	All academies are able to deliver in year balanced budgets and have identified use of their "capital" reserves linked to a long-term strategic plan.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic Intent	Core Objectives	Success Criteria
To strengthen governance at all levels across the Trust	<ul style="list-style-type: none"> <li>• Create full-day Trust Board meeting to ensure sufficient time is allocated given the growth in Sigma</li> <li>• Introduce Standards Committee to oversee school performance</li> <li>• Seek to recruit more Local Governors with an education background to serve on the newly named Local Governance Committees</li> <li>• Establish a joint LGC for Alton Park and Holland Park</li> <li>• introduce and review the new Headteacher's report format</li> </ul>	The Board of Trustees and each LGB has governors with the relevant levels of skills and expertise and with effective succession planning.
To create a Sigma wide approach to governance training and induction that ensures all Trustees and LGB members have the required skills and expertise	<ul style="list-style-type: none"> <li>• Training programme extended to focus on core aspects of LGC work</li> <li>• Training programme for Trustees introduced into longer meetings</li> <li>• All Local Governors required to attend at least one training session per year in consultation with Chair</li> <li>• Annual Leadership and Governance conference agreed</li> </ul>	LGB members have a greater understanding of their roles and responsibilities and are fully supported in their role.

### Employee Involvement

The Sigma Trust has formed a Joint Consultative Committee (JCC) which has been signed up to by all recognised Teacher and Support Staff Trade Unions. This forum meets at least termly or as required following any significant change proposed by the Trust. Where appropriate The Sigma Trust consults on matters such as policy, Pay, Health, Safety and Welfare or any other identified significant change. The Trust generally provides information to employees by way of email and intranet.

There are appropriate communication forums and structured meetings within the Trust's organisational structures to ensure the relevant communications take place between the Trustees and the LGBs. The Headteachers of all the Trust's academies meet monthly with the central team to ensure all strategic and operational activities are communicated effectively.

### Equal Opportunities and Disabled persons

The Sigma Trust's policy is to ensure equality of opportunities is afforded to all staff, students and stakeholders. Training, career development and promotion opportunities are available to all employees.

Disabled persons are afforded full and fair consideration in all employment practices and recruitment procedures. In the event of employees becoming disabled during employment, every effort is made to support the employee to continue with their existing role including training and work based modifications.

### Funds held as Custodian Trustee on behalf of others

Funds held on behalf of Area Planning Group are £11,131.

### Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees undertook a tender review exercise in the 2017-2018 financial year for the provision of the Trust's auditors and appointed its auditors for an additional three years.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on **18 December 2019** and signed on its behalf by:

  
.....  
**Nick Pavitt, Chair of Trustees**

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Sigma Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer Jeff Brindle, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Sigma Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. The Trustees believe they have sufficient systems of control and oversight to ensure they have complied with the requirements of the Academies Financial Handbook. Although the full board of Trustees have not met 6 times, the board is content that with the 4 full board meetings, 4 Finance Committee meetings and the 4 Audit & Risk Committees meetings, robust monitoring and management controls are established. The Trustees receive monthly management accounts and have strong financial regulations to ensure appropriate approvals are obtained.

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

Trustee	Meetings attended	Out of a possible
Nick Pavitt, Chair of Trustees	4	4
Bharat Parmar	2	4
Kay Maddox-Daines	3	4
Clive Bull	4	4
Steve McGrath, Vice Chair	4	4
Adrian Leggett, Chair of Finance	3	4
Jeff Brindle, Chief Executive Officer and Accounting Officer	4	4
Sue Hammond	1	2
Stephen Wyatt	2	2
Carol Carlsson Browne	3	4
Bradley Powell	3	4

The membership of the Board of Trustees has been further strengthened by the appointment of two additional Trustees with skills and experience from within the education sector with proven leadership experience as outlined as an area for improvement in our improvement plan.

The Trustees have continually monitored and amended the Scheme of Delegation and Governance Structures to ensure robust governance and clear lines of delegated responsibilities are established between the Board of Trustees and the Local Governance Committees.

The Finance Committee and Chair of the Trust receive monthly management reports from the Finance Officers along with regular updates on all finance leases and contracts entered into over £50k.

The Trustees have now decided to create a third Trustee Committee from September 2019-2020, to be called the Standards Committee, this will be led by our Director of Standards and is aimed at ensuring a greater level of

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**THE SIGMA TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

debate and scrutiny can be placed on the academies' performance outcomes, pupil exclusion, attendance data and SEN provision.

For the Financial year 2018-19 the Board now consists of the following sub-committees;

- Trust Finance Committee
- Trust Audit & Risk Committee
- Trust Standards Committee (Established at the July 2019 Board meeting)
- Clacton County High School LGC
- St Helena School LGC
- The Colne Community School & College LGC
- Combined LGC for The Stanway School and The Thomas Lord Audley School
- Combined LGC for Monkwick Infant & Nursery School and Monkwick Junior School
- Combined LGC for Philip Morant School & College and Paxman Academy
- Harwich & Dovercourt High School LGC
- North Essex Teacher Training (NETT) LGC

From 1st October 2019 the Trustees will have an additional Combined LGC for Holland Park Primary School and Alton Park Junior School, this will be referred to as the Clacton Primary LGC.

The Trustees undertook a full skills audit throughout the 2017-18 financial period and identified the following training sessions which were carried out for Trustees and LGB Members in 2018-2019:

- How to deliver effective Headteachers' performance management
- Strategies for schools and Governors on student exclusions and referrals
- The role and procedures of the staff discipline committee
- Who is responsible for what on the Scheme of Delegation?
- The role of the LGB in safeguarding
- LGB's role with Ofsted, managing the inspection and preparation
- Improvement planning and review

The following training sessions have been planned for the 2019-2020 academic year:

- New Ofsted Framework & the impact for Local Governors
- HR Topics and the role of the Local Governance Committee
- Update on who is responsible for what on the Scheme of Delegation?
- Understanding and questioning on the Headteacher's Report
- Pupil Discipline – The role of the LGC in challenging exclusions, referrals and attendance
- Annual Leadership Conference

The Trustees will undertake its next self-evaluation throughout the 2020 spring and summer terms.

The Finance Committee is a sub-committee of the main Board of Trustees. The Committee met 4 times in the financial year and undertook the following key actions.

- Received Monthly Management Accounts
- Scrutinised management accounts at each and every meeting
- Agreed to expenditure within its delegated power and made recommendations to the full Board
- Reviewed and recommended to the Board appointment of the Auditors
- Monitored and challenged impact and process for the central Finance and Payroll functions
- Received reports on the Free School progress and financial viability
- Received reports on the re-brokerage of the two secondary academies



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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

- Monitored the use and impact of the School Condition Allocation and schools' Devolved Formula Capital
- Received progress reports on the re-brokerage of the two primary academies
- Received regular updates on the proposed sale of The Grange and possible expansions at both The Colne Community School and Clacton County High School.

Attendance at meetings of the Finance Committee in the 2018-19 year was as follows.

Trustee	Meetings attended	Out of a possible
Bradley Powell	3	4
Steve McGrath (Vice Chair)	4	4
Jeff Brindle (CEO & Accounting Officer)	3	4
Carol Carlsson Browne	4	4
Adrian Leggett (Chair)	4	4
Stephen Wyatt	1	1
Clive Bull	4	4

The Audit and Risk Committee is a sub-committee of the main board of Trustees. The Committee met 4 times in the financial year and undertook the following key actions.

- Agreed and challenged the risk profile scoring of the Trust Risk Management Policy
- Scrutinised and challenged the Responsible Officer's reports
- Received reports on the Trust's Estate Management Condition surveys
- Received and challenged reports from the Trust's Compliance Officer
- Received and challenged risk profiles on the Free School and re-brokerage
- Agreed and challenged a suite of policies linked to the new GDPR legislation

Attendance at meetings of the Audit and Risk Committee in the 2018-19 year was as follows:

Trustee	Meetings attended	Out of a possible
Bradley Powell	3	4
Steve McGrath (Vice Chair)	4	4
Kay Maddox-Daines	2	4
Bharat Parmar	2	4
Sue Hammond	1	1

Mr Jeff Brindle (CEO and Accounting Officer) attended the Audit and Risk Committee in his capacity as CEO and not as a Trustee.

**Review of value for money**

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

The Accounting Officer considers how the academy'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 academy has delivered improved value for money during the year by:

- Negotiating £550,000 grant from the LA to add a GROW provision at Monkwick Junior School
- Ensuring the successful application for the re-brokerage of two primary schools into The Sigma Trust.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

- Renegotiating and / or terminating a number of lease contracts transferred from Philip Morant saving the school £136,475 per year.
- Creating a platform for all academy Headteachers to share teaching staff capacity to ensure all schools are fully staffed with no excessive capacity.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sigma Trust for the year 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Peter Standing FCCA as internal auditor.

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

- Review of the Clacton County High school and Sigma Trust inter-company loan,
- Review of the North Essex Teacher Training Scheme consolidation and reserves,
- Review of the centralisation of the Trust's finance department,
- Review of the Trust's 2017/18 financial statements preparation and completion process,
- Review of brought forward opening balances from 2017/18 to the new financial year 2018/19,
- Review of control account reconciliations,
- Review of the registration of business interests,

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**THE SIGMA TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

- Review of website compliance,
- Review of the Thrive partnership financial statements as at 31st August 2018,
- Review of the preparation of the Thrive financial statements as at 31st December and the transfer of closing balances into the Trust's finance system,
- Review of the intercompany account reconciliation,
- Review of the Trust's banking and bank account reconciliation process.

The approved schedule of works and key areas of review listed above, has been fully completed and reported to the Audit & Risk Committee during the financial year.

On a quarterly basis, the internal auditor reports to the Board of Trustees through the Audit and Risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered the schedule of work as planned, and no material control issues have arisen as a result of the work undertaken.

**Review of effectiveness**


As Accounting Officer, the Chief Executive Officer Jeff Brindle has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- Reviews by the internal auditor
- the work of the external auditor
- Finding of the Finance Committee
- Finding of the Audit & Risk Committee
- Review and completion of the established Risk Analysis Schedule
- The work of the Trust's Chief Operations and Chief Finance Officer, as well as other Senior Leadership Team members from within The Sigma Trust academies who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance committee and Audit and Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on **18 December 2019** and signed on their behalf by:

  
.....  
Nick Pavitt  
Chair of Trustees

  
.....  
Jeff Brindle  
Accounting Officer

**THE SIGMA TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Sigma Trust I have considered my responsibility to notify the academy 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 academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



Jeff Brindle  
Accounting Officer

Date: 18 December 2019

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**THE SIGMA TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 on 18 December 2019 and signed on its behalf by:

  
.....  
**Nick Pavitt, Chair of Trustees**

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**THE SIGMA TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SIGMA TRUST**

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**Opinion**

We have audited the financial statements of The Sigma Trust (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 academy 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 academy'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.

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**THE SIGMA TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
SIGMA TRUST (CONTINUED)**

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**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 academy 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.

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**THE SIGMA TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
SIGMA TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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 academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Aldworth (Senior statutory auditor)  
for and on behalf of  
**Griffin Chapman**  
Chartered Accountants  
Statutory Auditors  
4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

Date: 19 December 2019



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

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

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

**Respective responsibilities of The Sigma Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Sigma Trust's funding agreement with the Secretary of State for Education dated 1 September 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken comprised:

- a) Obtaining a sufficient understanding of the framework of authorities which apply to the academy.
- b) Understanding the system of internal control to secure compliance with the framework of authorities.
- c) Considering the basis upon which the Accounting Officer is able to make statements on regularity, propriety and compliance in the Financial Statements.
- d) Assessing the risk of material irregularity, impropriety and non-compliance.
- e) Designing and carrying out tests and drawing of conclusions from this work to provide assurance over regularity, propriety and compliance.

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

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**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Daniel Aldworth Reporting Accountant**

**Griffin Chapman**

Chartered Accountants

4 & 5 The Cedars  
Apex 12  
Old Ipswich Road  
Colchester  
Essex  
CO7 7QR

Date: 19 December 2019

**THE SIGMA TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	933,872	(8,944,414)	58,183,869	50,173,327	6,831,006
Charitable activities	4	-	45,830,868	-	45,830,868	33,749,141
Teaching schools	36	-	479,001	-	479,001	623,969
Other trading activities	5	800,529	2,762,099	-	3,562,628	1,785,589
Investments	6	12,471	-	-	12,471	14,008
<b>Total income</b>		<b>1,746,872</b>	<b>40,127,554</b>	<b>58,183,869</b>	<b>100,058,295</b>	<b>43,003,713</b>
<b>Expenditure on:</b>						
Charitable activities	8	26,515	51,325,318	2,447,362	53,799,195	38,842,052
Teaching schools	36	-	444,111	-	444,111	580,593
<b>Total expenditure</b>		<b>26,515</b>	<b>51,769,429</b>	<b>2,447,362</b>	<b>54,243,306</b>	<b>39,422,645</b>
<b>Net income/(expenditure)</b>		<b>1,720,357</b>	<b>(11,641,875)</b>	<b>55,736,507</b>	<b>45,814,989</b>	<b>3,581,068</b>
Transfers between funds	22	(133,969)	(236,088)	370,057	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>1,586,388</b>	<b>(11,877,963)</b>	<b>56,106,564</b>	<b>45,814,989</b>	<b>3,581,068</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	29	-	(4,866,000)	-	(4,866,000)	3,950,000
<b>Net movement in funds</b>		<b>1,586,388</b>	<b>(16,743,963)</b>	<b>56,106,564</b>	<b>40,948,989</b>	<b>7,531,068</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	22	3,283,571	(14,971,383)	55,934,919	44,247,107	36,716,039
Net movement in funds	22	1,586,388	(16,743,963)	56,106,564	40,948,989	7,531,068
<b>Total funds carried forward</b>	<b>22</b>	<b>4,869,959</b>	<b>(31,715,346)</b>	<b>112,041,483</b>	<b>85,196,096</b>	<b>44,247,107</b>

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**THE SIGMA TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The notes on pages 38 to 77 form part of these financial statements.

**THE SIGMA TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07926573

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	15	17,782	-
Tangible assets	16	110,981,427	54,086,032
		<u>110,999,209</u>	<u>54,086,032</u>
<b>Current assets</b>			
Stocks	17	32,762	26,773
Debtors	18	2,157,938	1,685,577
Cash at bank and in hand		10,736,739	8,824,391
		<u>12,927,439</u>	<u>10,536,741</u>
Creditors: amounts falling due within one year	19	(5,571,893)	(3,445,666)
<b>Net current assets</b>		<u>7,355,546</u>	<u>7,091,075</u>
<b>Total assets less current liabilities</b>		<u>118,354,755</u>	<u>61,177,107</u>
Creditors: amounts falling due after more than one year	20	(78,659)	-
<b>Net assets excluding pension liability</b>		<u>118,276,096</u>	<u>61,177,107</u>
Defined benefit pension scheme liability	29	(33,080,000)	(16,930,000)
<b>Total net assets</b>		<u><u>85,196,096</u></u>	<u><u>44,247,107</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	22	112,041,483	55,934,919
Restricted income funds	22	1,364,654	1,958,617
		<u>113,406,137</u>	<u>57,893,536</u>
Restricted funds excluding pension asset	22	113,406,137	57,893,536
Pension reserve	22	(33,080,000)	(16,930,000)
<b>Total restricted funds</b>	22	<u>80,326,137</u>	<u>40,963,536</u>
<b>Unrestricted income funds</b>	22	<u>4,869,959</u>	<u>3,283,571</u>
<b>Total funds</b>		<u><u>85,196,096</u></u>	<u><u>44,247,107</u></u>

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**THE SIGMA TRUST**  
**(A company limited by guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 33 to 77 were approved by the Trustees, and authorised for issue on **18/12/19** and are signed on their behalf, by:

*ND Pavitt*

**Nick Pavitt**  
Chair of Trustees

The notes on pages 38 to 77 form part of these financial statements.

**THE SIGMA TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	3,076,430	822,541
<b>Cash flows from investing activities</b>	26	(1,164,082)	9,632
<b>Cash flows from financing activities</b>	25	-	6,750
Cash and cash equivalents at the beginning of the year		8,824,391	7,985,468
<b>Cash and cash equivalents at the end of the year</b>	27	<u>10,736,739</u>	<u>8,824,391</u>

The notes on pages 38 to 77 form part of these financial statements

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**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 academy, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Sigma Trust meets the definition of a public benefit entity under FRS 102.

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



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**THE SIGMA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the academy 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.

- **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 academy has provided the goods or services.

- **Transfer of existing academies into the academy**

Where assets and liabilities are received on the transfer of an existing academy into the academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised for the transfer of an existing academy into the academy within 'Income from Donations and Capital Grants' to the net assets acquired.

- **Donated fixed assets (excluding transfers on conversion or into the academy)**

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

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**THE SIGMA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**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.

- **Charitable activities**

These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy 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.

**1.7 Intangible assets**

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	-	25% and 33.3% straight line
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**THE SIGMA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.8 Tangible fixed assets**

Assets costing £10,000 (primary schools £5,000) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2-3% straight line (10% straight line on MUGA)
Tenant's alterations	- 2% straight line
Furniture and equipment	- 25% straight line
Plant and machinery	- 20% straight line
Computer equipment	- 33.3% straight line
Motor vehicles	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 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.

**1.11 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, other than £1 million on twelve months maturity.

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**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.12 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

**1.13 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.14 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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**THE SIGMA TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.15 Pensions**

Retirement benefits to employees of the academy 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 academy 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 academy 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.

**1.16 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA and funds relating to the Tendring Primary Partnership from Essex County Council.

For the bursary funds, payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

For the Tendring Primary Partnership, payments received from Essex County Council and subsequent expenditure are excluded from the statement of financial activities as the Trust does not have control over the charitable application of funds.

For North Essex Teacher Training, bursary payments received from NCTL and subsequent disbursement to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of funds.

The funds received and paid and any balances held for all agency arrangements are disclosed in notes to the financial statements.

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**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.17 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

**1.18 PFI (Private Finance Initiative) premises**

The academy trust includes an academy which has a PFI contract for the use of its school premises, where the responsibility for maintaining and repairing the buildings lies with the PFI contractor. The rights and ownership of the premises lies with Essex County Council and the school do not recognise any asset or liability on the balance sheet. The school have the right to occupy the school premises under the terms of the contract which expires in 2035.

Payments are made during the life of the contract and are charged to revenue as payable.  
PFI credits are treated as general revenue.  
The PFI arrangement is recognised in other financial commitments at note 26.

**1.19 Redundancy costs**

Redundancy costs and termination payments are charged to the income statement in the year in which an irrevocable commitment is made to incur the costs.

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**THE SIGMA TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust includes an academy which is subject to Private Finance Initiative arrangement for its use of the school premises. The Trustees have adopted the accounting treatment in note 24 where this arrangement is recognised as a financial commitment.

Judgements have been made on the fixed asset policies over the lives of assets acquired on academies transferring in to the Academy Trust, in that they will continue to be used following transfer to The Sigma Trust.

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

### 3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
<b>Donations</b>				
Donated leasehold property	-	-	14,500,000	<b>14,500,000</b>
Academies transfer in	916,215	(8,944,414)	40,403,642	<b>32,375,443</b>
	<u>916,215</u>	<u>(8,944,414)</u>	<u>54,903,642</u>	<u><b>46,875,443</b></u>
Donations	17,657	-	-	<b>17,657</b>
Capital Grants	-	-	3,280,227	<b>3,280,227</b>
	<u>17,657</u>	<u>-</u>	<u>3,280,227</u>	<u><b>3,297,884</b></u>
<b>Subtotal</b>	<u>17,657</u>	<u>-</u>	<u>3,280,227</u>	<u><b>3,297,884</b></u>
<b>Total 2019</b>	<u>933,872</u>	<u>(8,944,414)</u>	<u>58,183,869</u>	<u><b>50,173,327</b></u>

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	32,577	1,348,409	1,380,986
Capital Grants	-	5,450,020	5,450,020
<b>Total 2018</b>	<b>32,577</b>	<b>6,798,429</b>	<b>6,831,006</b>



**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the academy's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant	41,385,624	<b>41,385,624</b>	30,859,408
Other DfE/ESFA grants	3,132,897	<b>3,132,897</b>	2,251,844
	<u>44,518,521</u>	<u><b>44,518,521</b></u>	<u>33,111,252</u>
Local authority and other funding	1,312,347	<b>1,312,347</b>	637,889
	<u>45,830,868</u>	<u><b>45,830,868</b></u>	<u>33,749,141</u>
<b>Total 2019</b>			

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Lettings income	245,627	-	<b>245,627</b>
Music services income	-	41,069	<b>41,069</b>
Trip income	-	975,300	<b>975,300</b>
Catering income	-	1,347,607	<b>1,347,607</b>
Other income	554,902	398,123	<b>953,025</b>
	<u>800,529</u>	<u>2,762,099</u>	<u><b>3,562,628</b></u>
<b>Total 2019</b>			

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Lettings income	189,982	-	189,982
Music services income	-	25,458	25,458
Trip income	-	423,046	423,046
Catering income	-	758,058	758,058
Other income	128,379	260,666	389,045
<b>Total 2018</b>	<b>318,361</b>	<b>1,467,228</b>	<b>1,785,589</b>

**6. Investment income**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
Investment income - bank interest	12,471	12,471	14,008

**7. Expenditure**

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Educational operations:				
Direct costs	29,250,451	2,447,542	4,537,023	36,235,016
Allocated support costs	10,483,836	3,874,357	3,205,986	17,564,179
Teaching school	322,608	17,000	104,503	444,111
<b>Total 2019</b>	<b>40,056,895</b>	<b>6,338,899</b>	<b>7,847,512</b>	<b>54,243,306</b>

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

	<i>Staff Costs</i> <i>2018</i> £	<i>Premises</i> <i>2018</i> £	<i>Other</i> <i>2018</i> £	<i>Total</i> <i>2018</i> £
Educational operations:				
Direct costs	21,635,673	1,228,394	3,309,116	26,173,183
Allocated support costs	7,398,980	2,538,038	2,731,851	12,668,869
Teaching school	389,072	16,076	175,445	580,593
<b>Total 2018</b>	<b>29,423,725</b>	<b>3,782,508</b>	<b>6,216,412</b>	<b>39,422,645</b>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Educational operations	26,515	53,772,680	<b>53,799,195</b>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	31,783,472	7,058,580	<b>38,842,052</b>

**Summary by expenditure type**

	<b>Staff costs 2019 £</b>	<b>Depreciation 2019 £</b>	<b>Other costs 2019 £</b>	<b>Total funds 2019 £</b>
Educational operations	39,734,287	2,447,362	11,617,546	<b>53,799,195</b>

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure on charitable activities (continued)**

**Summary by expenditure type (continued)**

	<i>Staff costs 2018 £</i>	<i>Depreciation 2018 £</i>	<i>Other costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	<u>29,034,653</u>	<u>1,638,743</u>	<u>8,168,656</u>	<u>38,842,052</u>

**9. Analysis of expenditure by activities**

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational operations	<u>36,235,016</u>	<u>17,564,179</u>	<u>53,799,195</u>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	<u>26,173,183</u>	<u>12,668,869</u>	<u>38,842,052</u>

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	29,250,451	<b>29,250,451</b>	21,635,673
Depreciation	2,447,362	<b>2,447,362</b>	1,638,743
Teaching and educational support staff costs	252,945	<b>252,945</b>	259,880
Education supplies	1,908,000	<b>1,908,000</b>	1,112,511
Examination fees	704,728	<b>704,728</b>	412,878
Staff development	131,363	<b>131,363</b>	69,606
Educational consultancy	631,574	<b>631,574</b>	391,452
Other direct costs	225,012	<b>225,012</b>	221,116
Security and transport	147,239	<b>147,239</b>	93,604
Technology costs	536,342	<b>536,342</b>	334,382
Loss on disposal of fixed assets	-	-	3,338
	<u>36,235,016</u>	<u><b>36,235,016</b></u>	<u>26,173,183</u>

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance cost	585,000	585,000	482,000
Staff costs	10,483,836	10,483,836	7,398,980
Recruitment and support	19,237	19,237	34,962
Maintenance of premises and equipment	2,452,307	2,452,307	1,884,827
Cleaning	177,468	177,468	107,926
Rent and Rates	298,926	298,926	176,595
Insurance	191,212	191,212	150,045
Security and transport	101,502	101,502	77,380
Catering	1,037,217	1,037,217	686,047
Technology costs	342,179	342,179	206,203
Utilities	821,661	821,661	598,331
Bank interest and charges	1,042	1,042	4,034
Other support costs	1,016,972	1,016,972	813,870
Audit and accountancy	35,620	35,620	47,669
	<b>17,564,179</b>	<b>17,564,179</b>	<b>12,668,869</b>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Operating lease rentals	186,050	103,534
Depreciation of tangible fixed assets	2,437,696	1,638,742
Amortisation of intangible assets	9,666	-
Loss on disposal of fixed assets	-	3,338
Fees paid to auditors for:		
- audit	26,000	30,600
- other services	9,620	18,294

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	30,030,852	22,053,916
Social security costs	2,648,505	2,029,594
Pension costs	6,736,157	4,783,758
	<u>39,415,514</u>	<u>28,867,268</u>
Agency staff costs	474,852	373,916
Staff restructuring costs	166,529	182,541
	<u><u>40,056,895</u></u>	<u><u>29,423,725</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	69,505	144,238
Severance payments	97,024	38,303
	<u><u>166,529</u></u>	<u><u>182,541</u></u>

**b. Non-statutory/non-contractual staff severance payments**

Included in severance payments are non-statutory/non-contractual payments of £20,000 and £14,248 (2018: £211).

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	547	409
Administration and support	705	509
Management	13	12
	<u><u>1,265</u></u>	<u><u>930</u></u>

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>496</b>	<i>371</i>
Administration and support	<b>470</b>	<i>358</i>
Management	<b>13</b>	<i>12</i>
	<b>979</b>	<i>741</i>

**d. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>20</b>	<i>18</i>
In the band £70,001 - £80,000	<b>6</b>	<i>3</i>
In the band £80,001 - £90,000	<b>5</b>	<i>4</i>
In the band £90,001 - £100,000	<b>-</b>	<i>2</i>
In the band £100,001 - £110,000	<b>1</b>	<i>1</i>
In the band £110,001 - £120,000	<b>1</b>	<i>-</i>
In the band £120,001 - £130,000	<b>1</b>	<i>1</i>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of the employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,428,205 (2018: £1,284,198).



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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Central services**

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

- Education services
- Human resources
- Financial services
- Legal and Governance services
- Operations

The academy charges for these services on the following basis:

The Trust charges for these services at 4.5% (2018: 3%) of the General Annual Grant (including 16-19 allocation for relevant schools) but excluding Bursary and PFI income but including LA growth funding and Teachers Pay Grant.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Clacton County High School	381,502	267,208
Colne Community School and College	194,065	-
Harwich and Dovercourt High School	262,635	176,868
Monwick Infants School	43,467	29,519
Monkwick Junior School	52,249	30,567
Philip Morant School and College	235,391	-
St Helena School	214,456	140,056
The Stanway School	267,798	166,056
Thomas Lord Audley School	186,218	123,408
<b>Total</b>	<b>1,837,781</b>	<b>933,682</b>

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2019 £000	2018 £000
Jeff Brindle, Chief Executive Officer and Accounting Officer	Remuneration	125-130	120-125
	Pension contributions paid	30-35	25-30
Carol Carlsson Browne - Staff Trustee	Remuneration	0	0-5

During the year, no Trustees (2018 - none) received any benefits in kind.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**13. Trustees' remuneration and expenses (continued)**

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, trustee expenses of £231 have been incurred (2018 - £359).

**14. Trustees' and Officers' insurance**

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**15. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
Transfer in	27,448
	<hr/>
At 31 August 2019	27,448
	<hr/>
<b>Amortisation</b>	
Charge for the year	9,666
	<hr/>
At 31 August 2019	9,666
	<hr/>
<b>Net book value</b>	
At 31 August 2019	17,782
	<hr/> <hr/>
At 31 August 2018	-
	<hr/> <hr/>

**THE SIGMA TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>							
At 1 September 2018	55,056,119	-	226,904	790,286	1,330,719	13,184	57,417,212
Additions	1,407,947	15,458,208	1,566,098	283,464	241,186	-	18,956,903
Transfers between classes	(5,949,837)	6,360,957	(411,120)	-	-	-	-
Academies transfer in	40,090,800	-	-	101,485	181,016	2,887	40,376,188
At 31 August 2019	90,605,029	21,819,165	1,381,882	1,175,235	1,752,921	16,071	116,750,303
<b>Depreciation</b>							
At 1 September 2018	2,133,117	-	-	242,148	949,323	6,592	3,331,180
Charge for the year	2,037,202	5,209	-	172,829	218,060	4,396	2,437,696
Transfers between classes	(430,775)	430,775	-	-	-	-	-
At 31 August 2019	3,739,544	435,984	-	414,977	1,167,383	10,988	5,768,876

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Tangible fixed assets (continued)**

	Freehold property £	Long-term leasehold property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Net book value</b>							
At 31 August 2019	<u>86,865,485</u>	<u>21,383,181</u>	<u>1,381,882</u>	<u>760,258</u>	<u>585,538</u>	<u>5,083</u>	<u>110,981,427</u>
At 31 August 2018	<u>52,923,002</u>	<u>-</u>	<u>226,904</u>	<u>548,138</u>	<u>381,396</u>	<u>6,592</u>	<u>54,086,032</u>

The trustees have based their valuation of the buildings on the insurance value of the premises, discounted to take account of the age of the building at the time of transfer in 2012. The trustees are not aware of any material changes to this valuation. For the purposes of these financial statements the land is deemed to have no commercial value.

Assets transferred on joining the trust have been valued at their net book values at the date of conversion. Depreciation on these transferred assets continues to be charged on a straight line basis on original cost to depreciate them over their remaining useful lives.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Stocks**

	2019 £	2018 £
Finished goods and goods for resale	<u>32,762</u>	<u>26,773</u>

**18. Debtors**

	2019 £	2018 £
<b>Due after more than one year</b>		
Other debtors	50,923	41,795
	<u>50,923</u>	<u>41,795</u>
<b>Due within one year</b>		
Trade debtors	109,939	100,704
Other debtors	685,637	754,484
Prepayments and accrued income	779,252	437,095
VAT recoverable	532,187	351,499
	<u>2,157,938</u>	<u>1,685,577</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	2,007,526	1,306,588
Other taxation and social security	785,746	519,900
Other creditors	975,968	489,626
Accruals and deferred income	1,802,653	1,129,552
	<u>5,571,893</u>	<u>3,445,666</u>
	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	481,336	399,084
Resources deferred during the year	474,671	481,336
Amounts released from previous periods	(481,336)	(399,084)
<b>Deferred income at 31 August 2019</b>	<u>474,671</u>	<u>481,336</u>

**20. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Loans	<u>78,659</u>	<u>-</u>

Colne Community School has a Salix loan for £62,072 in relation to a CIF grant awarded in 2014/15 to replace windows, to be repaid over 8 years interest free commencing in March 2017. A CIF loan of £40,000 was also received, to be repaid over 4 years. Repayments commenced in 2017/18. The repayments falling due within one year of £17,759 for these loans are included in other creditors. The balance due after 5 years, payable by instalments on the Salix loan is £3,880.

Harwich and Dovercourt High School has a Salix loan of £44,992 in relation to a CIF grant awarded in 2017/18 to replace windows, repayable over 8 years interest free. Repayments commenced in 2018/19. The repayments falling due within one year are £5,624 for this loan and are included in other creditors. The balance due after 5 years payable by instalments is £11,248.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>10,736,739</b>	8,824,391
Financial assets that are debt instruments measured at amortised cost	<b>846,499</b>	896,983
	<u><b>11,583,238</b></u>	<u>9,721,374</u>
	2019 £	2018 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>(4,390,135)</b></u>	<u>(2,444,430)</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors

Financial liabilities measured at amortised cost comprise trade creditors, accruals, loans and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
MUGA replacement	20,000	10,000	-	33,500	-	63,500
<b>General funds</b>						
General Funds - all funds	3,263,571	1,736,872	(26,515)	(167,469)	-	4,806,459
<b>Total Unrestricted funds</b>	<b>3,283,571</b>	<b>1,746,872</b>	<b>(26,515)</b>	<b>(133,969)</b>	<b>-</b>	<b>4,869,959</b>
<b>Restricted general funds</b>						
General Annual Grant	1,796,458	46,062,759	(44,621,053)	(2,065,088)	-	1,173,076
North Essex Teacher Training	125,095	479,001	(444,111)	-	-	159,985
Pupil premium	14,161	2,195,110	(2,209,271)	-	-	-
Paxman Academy funding	22,903	374,684	(365,994)	-	-	31,593
Pension reserve	(16,930,000)	(8,984,000)	(4,129,000)	1,829,000	(4,866,000)	(33,080,000)
	<b>(14,971,383)</b>	<b>40,127,554</b>	<b>(51,769,429)</b>	<b>(236,088)</b>	<b>(4,866,000)</b>	<b>(31,715,346)</b>
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	54,086,534	54,876,194	(2,437,696)	4,456,395	-	110,981,427
Intangible fixed assets	-	27,448	(9,666)	-	-	17,782
ESFA Capital grants	1,848,385	2,618,715	-	(3,424,826)	-	1,042,274
LA Capital grants	-	661,512	-	(661,512)	-	-



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
	55,934,919	58,183,869	(2,447,362)	370,057	-	112,041,483
<b>Total Restricted funds</b>	<b>40,963,536</b>	<b>98,311,423</b>	<b>(54,216,791)</b>	<b>133,969</b>	<b>(4,866,000)</b>	<b>80,326,137</b>
<b>Total funds</b>	<b>44,247,107</b>	<b>100,058,295</b>	<b>(54,243,306)</b>	<b>-</b>	<b>(4,866,000)</b>	<b>85,196,096</b>

During the year £370,057 was transferred from restricted funds to restricted fixed asset funds regarding the amount of GAG used to cover the capital additions not covered by capital grant income.

The trust are designating £20,000 per annum over 10 years towards the future replacement of the Multi Use Games Area - MUGA - at The Stanway School, and £20,000 per annum for the MUGA at Philip Morant School (effective from 1 January 2019).

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

The General Annual Grant restricted fund includes all restricted GAG income and related expenditure and is used for the normal running of the academy.

Pupil Premium restricted fund represents funding received and related expenditure.

The Sigma Trust is the lead school for North Essex Teacher Training and the fund includes all grant and other income and related expenditure.

The pension reserve represents the deficit on the LGPS pension scheme.

The restricted fixed asset fund represents the cost or valuation of fixed assets held by the academy trust and any unspent capital grant funding.

Unrestricted funds are those arising from unrestricted activities and can be applied for any purpose.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Clacton County High School	1,248,767	1,370,164
Colne Community School & College	851,262	-
Harwich and Dovercourt High School	964,346	918,237
Monkwick Infants School	421,113	528,694
Monkwick Junior School	141,905	99,796
North Essex Teacher Training	159,984	125,095
Philip Morant School & College	293,270	-
St Helena School	388,868	937,280
The Sigma Trust Central Services	346,726	22,626
The Stanway School	1,341,076	1,219,172
Thomas Lord Audley School	77,296	21,124
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	6,234,613	5,242,188
Restricted fixed asset fund	112,041,483	55,934,919
Pension reserve	(33,080,000)	(16,930,000)
	<hr/>	<hr/>
<b>Total</b>	<b>85,196,096</b>	<b>44,247,107</b>
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Clacton County High School	5,717,269	1,244,732	215,657	2,888,774	10,066,432
Colne Community School & College	2,865,017	1,043,023	206,714	834,346	4,949,100
Harwich and Dovercourt High School	4,003,557	1,336,444	232,378	1,305,992	6,878,371
Monkwick Infants School	965,524	363,379	30,057	222,797	1,581,757
Monkwick Junior School	912,931	249,405	67,036	208,502	1,437,874
North Essex Teacher Training	264,724	57,884	2,129	119,374	444,111
Philip Morant School & College	3,839,590	1,260,043	295,018	946,436	6,341,087
St Helena School	3,359,657	1,194,458	161,887	963,404	5,679,406
The Sigma Trust Central Services	328,064	1,539,990	85,153	663,332	2,616,539
The Stanway School	4,220,760	1,204,380	441,103	1,058,259	6,924,502
Thomas Lord Audley School	3,038,082	1,047,982	172,997	617,704	4,876,765
<b>Academy</b>	<b>29,515,175</b>	<b>10,541,720</b>	<b>1,910,129</b>	<b>9,828,920</b>	<b>51,795,944</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**22. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
MUGA replacement	-	-	-	20,000	-	20,000
<b>General funds</b>						
General Funds - all funds	3,446,997	364,946	(24,296)	(524,076)	-	3,263,571
<b>Total Unrestricted funds</b>	<u>3,446,997</u>	<u>364,946</u>	<u>(24,296)</u>	<u>(504,076)</u>	<u>-</u>	<u>3,283,571</u>
<b>Restricted general funds</b>						
General Annual Grant	2,014,299	33,357,736	(32,433,583)	(1,119,091)	-	1,819,361
North Essex Teacher Training	81,719	623,969	(580,593)	-	-	125,095
Pupil premium	-	1,858,633	(1,863,582)	19,110	-	14,161
Pension reserve	(19,265,000)	-	(2,878,510)	1,263,510	3,950,000	(16,930,000)
	<u>(17,168,982)</u>	<u>35,840,338</u>	<u>(37,756,268)</u>	<u>163,529</u>	<u>3,950,000</u>	<u>(14,971,383)</u>
<b>Restricted fixed asset funds</b>	<u>50,438,024</u>	<u>6,798,429</u>	<u>(1,642,081)</u>	<u>340,547</u>	<u>-</u>	<u>55,934,919</u>
<b>Total Restricted funds</b>	<u>33,269,042</u>	<u>42,638,767</u>	<u>(39,398,349)</u>	<u>504,076</u>	<u>3,950,000</u>	<u>40,963,536</u>
<b>Total funds</b>	<u><u>36,716,039</u></u>	<u><u>43,003,713</u></u>	<u><u>(39,422,645)</u></u>	<u><u>-</u></u>	<u><u>3,950,000</u></u>	<u><u>44,247,107</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	110,981,427	110,981,427
Intangible fixed assets	-	-	17,782	17,782
Debtors due after more than one year	-	50,923	-	50,923
Current assets	4,857,849	6,976,393	1,042,274	12,876,516
Creditors due within one year	12,110	(5,584,003)	-	(5,571,893)
Creditors due in more than one year	-	(78,659)	-	(78,659)
Provisions for liabilities and charges	-	(33,080,000)	-	(33,080,000)
<b>Total</b>	<b>4,869,959</b>	<b>(31,715,346)</b>	<b>112,041,483</b>	<b>85,196,096</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	54,086,032	54,086,032
Debtors due after more than one year	-	41,795	-	41,795
Current assets	3,283,571	5,362,488	1,848,887	10,494,946
Creditors due within one year	-	(3,445,666)	-	(3,445,666)
Provisions for liabilities and charges	-	(16,930,000)	-	(16,930,000)
<b>Total</b>	<b>3,283,571</b>	<b>(14,971,383)</b>	<b>55,934,919</b>	<b>44,247,107</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**24. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	45,814,989	3,581,068
<b>Adjustments for:</b>		
Amortisation	9,666	-
Depreciation	2,437,696	1,638,742
Capital grants from DfE and other capital income	(17,780,227)	(6,798,929)
Interest receivable	(12,594)	(14,023)
Defined benefit pension scheme obligation inherited	8,984,000	-
Defined benefit pension scheme cost less contributions payable	1,715,000	1,133,000
Defined benefit pension scheme finance cost	585,000	482,000
Increase in stocks	(5,989)	(4,281)
Increase in debtors	(472,361)	(51,999)
Increase in creditors	2,204,886	853,626
Loss on sale of fixed assets	-	3,337
Transfer in of academies	(41,359,443)	-
Reserves transferred in on academies joining the trust	955,807	-
<b>Net cash provided by operating activities</b>	<b>3,076,430</b>	<b>822,541</b>

**25. Cash flows from financing activities**

	2019 £	2018 £
Proceeds on disposal of fixed assets	-	6,750
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>6,750</b>

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**26. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	12,594	14,023
Purchase of tangible fixed assets	(18,956,903)	(6,803,321)
Capital grants from DfE Group	3,280,227	5,450,021
Capital funding received from sponsors and others	-	1,348,909
Donated tangible fixed asset	14,500,000	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,164,082)</b>	<b>9,632</b>

**27. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	10,736,739	8,824,391
<b>Total cash and cash equivalents</b>	<b>10,736,739</b>	<b>8,824,391</b>

**28. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	1,136,941	206,386

**29. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £703,179 were payable to the schemes at 31 August 2019 (2018 - £464,474) and are included within creditors.

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**29. Pension commitments (continued)**

**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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £3,231,900 (2018 - £2,392,248).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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



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**29. Pension commitments (continued)**

**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 2019 was £2,308,000 (2018 - £1,627,000), of which employer's contributions totalled £1,816,000 (2018 - £1,266,000) and employees' contributions totalled £ 492,000 (2018 - £361,000). The agreed contribution rates for future years are 19.7% -23.9% per cent for employers and 5.5% - 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.70%</b>	<b>3.80%</b>
Rate of increase for pensions in payment/inflation	<b>2.20%</b>	<b>2.30%</b>
Discount rate for scheme liabilities	<b>1.85%</b>	<b>2.65%</b>
Inflation assumption (CPI)	<b>2.20%</b>	<b>2.30%</b>
Commutation of pensions to lump sums	<b>50.00%</b>	<b>50.00%</b>

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.3</b>	<b>22.3</b>
Females	<b>23.6</b>	<b>24.8</b>
<i>Retiring in 20 years</i>		
Males	<b>23.0</b>	<b>24.5</b>
Females	<b>25.4</b>	<b>27.1</b>

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**29. Pension commitments (continued)**

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	55,975	30,166
Discount rate -0.1%	58,699	31,619
Mortality assumption - 1 year increase	59,523	31,918
Mortality assumption - 1 year decrease	55,203	29,886
CPI rate +0.1%	57,498	31,249
CPI rate -0.1%	57,144	30,529

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	15,276,000	8,884,000
Gilts	1,333,000	746,000
Corporate bonds	1,365,000	816,000
Property	1,940,000	1,245,000
Cash and other liquid assets	708,000	475,000
Alternative assets and other managed funds	3,619,000	1,789,000
<b>Total market value of assets</b>	<b>24,241,000</b>	<b>13,955,000</b>

The actual return on scheme assets was £1,459,000 (2018 - £778,000).

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

	2019 £	2018 £
Current service cost	(3,536,000)	(2,391,510)
Interest income	511,000	324,000
Interest cost	(1,096,000)	(806,000)
Administrative expenses	(8,000)	(5,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(4,129,000)</b>	<b>(2,878,510)</b>

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**29. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>30,885,000</b>	<b>30,822,490</b>
Transferred in on existing academies joining the trust	15,421,000	-
Current service cost	3,536,000	2,391,510
Interest cost	1,096,000	806,000
Employee contributions	492,000	361,000
Actuarial losses/(gains)	5,891,000	(3,496,000)
<b>At 31 August</b>	<b>57,321,000</b>	<b>30,885,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>13,955,000</b>	<b>11,557,490</b>
Transferred in on existing academies joining the trust	6,437,000	-
Interest income	511,000	324,000
Actuarial gains	1,025,000	454,000
Employer contributions	1,829,000	1,263,510
Employee contributions	492,000	361,000
Effects of non-routine settlements	(8,000)	(5,000)
<b>At 31 August</b>	<b>24,241,000</b>	<b>13,955,000</b>

**30. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	209,501	89,913
Later than 1 year and not later than 5 years	686,590	225,552
Later than 5 years	194,947	78,895
	<b>1,091,038</b>	<b>394,360</b>

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**31. Other financial commitments**

Clacton County High School has a continuing PFI commitment relating to its school premises. The annual contribution for the current year was £1,625,921. (2018: £1,578,064).

The liability from school revenue towards this figure for the year ended 31 August 2019 will be £958,927. This commitment is expected to continue for the life of the PFI agreement which expires in 2035. The actual commitment is dependent on elements outside of the school's control and therefore cannot be accurately disclosed any further forward than one year.

**32. 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.

**33. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place during the period:

During the year the Trust had transactions with Learning Pathways Academy in which A Smith (a member of the Trust) is Chief Executive Officer and a Trustee. The Trust purchased services of £73,886 (2018: £58,498) and supplied services of £8,606 (2018: £nil). There were no amounts owed by or due to the Trust at 31 August 2019 (2018: £nil).

During the year the Trust made purchases from Printing for Pleasure, a company owned by the brother of S Holder, an SMT member. These purchases totalled £437 (2018: £351). No amounts were outstanding at the year end.

During the year, A Rudd a partner of F Pierson was employed by the trust as student support and welfare officer and was paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to an SMT member.

During the year, R Taylor the wife of C Taylor was employed by the trust as teacher and was paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to an SMT member.

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**34. Agency arrangements**

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2019 the trust received funding of £46,336 and a further £25,190 from academies transferred in. £54,216 of funding was distributed. An amount of £42,184 (2018: £24,874) is included in accruals and deferred income relating to undistributed funds that are repayable to EFSA.

The academy is the lead school for North Essex Teacher Training, which distributes training bursaries on behalf of NCTL. During the accounting year ended 31 August 2019 bursary funding of £446,800 (2018: £304,000) was received and £443,800 (2018: £283,000) was distributed. The balance of £3,000 (2018: £20,400) is included in other creditors.

**35. Transfer of existing academies into the academy**

**Colne Community School and College (transfer in 01/01/2019)**

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
<b>Intangible assets</b>			
Computer software	13	-	13
<b>Tangible fixed assets</b>			
Freehold property	15,316	(3,050)	12,266
Furniture and equipment	54	-	54
Computer equipment	61	-	61
Motor vehicles	3	-	3
<b>Current assets</b>			
Stocks	4	-	4
Debtors due within one year	259	-	259
<b>Liabilities</b>			
Creditors due within one year	(465)	-	(465)
Creditors due after one year	(55)	-	(55)
<b>Pensions</b>			
Pensions - pension scheme assets	2,702	-	2,702
Pensions - pension scheme liabilities	(6,935)	-	(6,935)
<b>Net assets</b>	<u>10,957</u>	<u>(3,050)</u>	<u>7,907</u>

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**35. Transfer of existing academies into the academy (continued)**

**Philip Morant School and College (transfer in 01/01/2019)**

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
<b>Intangible assets</b>			
Computer software	14	-	14
<b>Tangible fixed assets</b>			
Freehold property	31,269	(3,445)	27,824
Furniture and equipment	47	-	47
Computer equipment	120	-	120
<b>Current assets</b>			
Stocks	2	-	2
Debtors due within one year	395	-	395
Cash at bank and in hand	1,447	-	1,447
<b>Liabilities</b>			
Creditors due within one year	(631)	-	(631)
<b>Pensions</b>			
Pensions - pension scheme assets	3,735	-	3,735
Pensions - pension scheme liabilities	(8,486)	-	(8,486)
<b>Net assets</b>	<u>27,912</u>	<u>(3,445)</u>	<u>24,467</u>

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**36. Teaching school trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
SLE Income	460,575		612,869	
Other direct income	18,303		11,085	
<b>Other income</b>				
Bank deposit interest	123		15	
<b>Total income</b>		479,001		623,969
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	264,724		327,562	
Other direct costs	60,764		16,481	
<b>Total direct expenditure</b>	325,488		344,043	
<b>Other expenditure</b>				
Other staff costs	57,884		61,510	
Utilities	3,138		7,393	
Rent	17,000		16,076	
Audit and accountancy	1,025		1,225	
Equipment costs	3,599		1,348	
Technology costs	7,873		5,206	
Other support costs	21,989		137,770	
Travel expenses	6,115		6,022	
<b>Total other expenditure</b>	118,623		236,550	
<b>Total expenditure</b>		444,111		580,593
<b>Surplus from all sources</b>		34,890		43,376
<b>Teaching school balances at 1 September 2018</b>		125,095		81,719
<b>Teaching school balances at 31 August 2019</b>		159,985		125,095