

Registered number: 07926573 (England and Wales)

**THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH
SCHOOL**

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Mr Stephen McGrath, Vice-Chair, Chair of Governors from 1 April 2016, Community Governor (resigned 14 September 2016)
Mrs Lorraine Smith, Vice-Chair (appointed 1 April 2016, resigned 14 September 2016)
Mr Richard Moodey, Chair- Curriculum and Finance, Community Governor
Mrs Elizabeth Croxon, Chair- Staff and Students, Community Governor (resigned 14 September 2016)
Mr Jeff Brindle, Principal (resigned 14 September 2016)
Mr Herbert Foster, Chair, Community Governor (resigned 31 March 2016)
Mr Nick Pavitt (appointed 14 September 2016)
Mr Brian Palmer (appointed 14 September 2016)
Ms Sara Cullis (appointed 14 September 2016)
Mr Andrew Smith (appointed 14 September 2016)

Trustees

Mr Stephen McGrath, Vice-Chair, Community Governor Elected Chair 1 April 2016^{1,2}
Mr Herbert Foster, Chair, Community Governor (resigned 1 April 2016)^{1,2}
Mrs Lorraine Smith, Elected Vice-Chair 25 April 2016, Parent Governor (resigned 14 September 2016)²
Mr Richard Moodey, Chair - Curriculum & Finance, Community Governor (resigned 14 September 2016)^{1,2}
Mrs Elizabeth Croxon, Chair - Staff & Students, Community Governor (resigned 14 September 2016)^{1,2}
Mrs Mel Willsmore, Responsible Officer, Parent Governor (resigned 14 September 2016)²
Ms Caroline Barratt, Community Governor (resigned 14 September 2016)²
Mrs Carole Carlsson Browne, Community Governor¹
Mrs Elizabeth Ridout, Parent Governor (resigned 13 May 2016)²
Ms Justine Holmes, Staff Governor (appointed, resigned 14 September 2016)¹
Mr Gary Winterford, Staff Governor (resigned 7 September 2015)¹
Mrs Julie Aldis, Staff Governor (appointed 24 April 2016, resigned 14 September 2016)²
Mr Jeff Brindle, Executive Principal and Accounting Officer^{1,2}
Mr Neil Gallagher, Principal (appointed 12 October 2016, resigned 14 September 2016)^{1,2}
Mr Nick Pavitt, Chair of Trustees (appointed 14 September 2016)
Ms Crystal Wright, Chair of Finance (appointed 14 September 2016)
Mr Andrew Davenall, Vice-Chair of Trustees (appointed 14 September 2016)
Mr Bradley Powell (appointed 14 September 2016)
Ms Lorraine Laudrum (appointed 14 September 2016)

¹ Curriculum and Finance Committee

² Staff and Students Committee

Company registered number

07926573

Company name

The Sigma Trust previously known as Clacton County High School

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Advisers (continued)

Principal and registered office

Walton Road
Clacton On Sea
Essex
CO15 6DZ

Company secretary

Sharon Burns (appointed 14 September 2016)

Mr Brian Markham (resigned 14 September 2016)

Senior management team

Jeff Brindle, Principal and Accounting Officer ,Executive Principal /CEO of Sigma Trust 1 September 2016
Neil Gallagher, Principal designate 1 September 2016
Kate Finch, Vice Principal
Chris Taylor, Vice Principal
Jonathan Norgate, Senior Assistant Principal
Samantha Torr, Senior Assistant Principal
Elizabeth Bailey, Assistant Principal
Alex Cooke, Assistant Principal
Andrew Martin, Assistant Principal
Allison Rudd, Senior Assistant Principal from 6 June 2016
Brian Markham, Business Manager
Sarah McKarry, Assistant Principal from 6 June 2016
Gregg Heighway, Assistant Principal from 1 September 2016

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
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Advisers (continued)

Independent auditors

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

Bankers

Barclays Bank
27 Station Road
Clacton On Sea
Essex
CO15 1TD

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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**STATEMENT FROM THE CHAIR OF THE LOCAL GOVERNING BOARD
FOR THE YEAR ENDED 31 AUGUST 2016**

Having been a school governor at CCHS for a very long time, I took over in March 2016 as the new Chair of Governors of Clacton County High School Academy Trust and it is with great pleasure and pride that I have been asked to sum up the 2015-16 academic year.

At the start of the academic year 2015, we were left shell shocked at how the changes to the English marking boundaries impacted on our students' results at GCSE in the summer exams and we were determined that this would not happen again. Staff and students worked incredibly hard throughout the entire year and their efforts were justly rewarded with a superb set of summer results.

Year on year, we have been working on improving the outcomes of our students and were previously recognised in 2015 by the then Minister for Education, David Laws, with our school achieving within the top 1% nationally for the progress made by our disadvantaged students.

This year, using the new Progress 8 measure, i.e. looking at where a student's stands academically on entry to this school in comparison to the results that are achieved at GCSE, Clacton County High School is not only the top school in the whole of Essex, but in the entire eastern region including; Suffolk, Norfolk, Cambridgeshire, Hertfordshire and Lincolnshire. To put this into a national context our school is 35th out of over 6,000 schools in England; this is a truly phenomenal achievement. To add to this, we had 2 students who each achieved 11 A* passes at GCSE, one of these students gained the new grading of A* distinction in Further Maths; this pass was only achieved by the top 1% of students in the UK!

Deservedly so, these efforts have led to the school being talked about in a variety of mediums, and as a result we were invited to contribute to this year's Parliamentary Review, published in September. This is a very prestigious publication and I was honoured to be invited to the launch at the Houses of Parliament along with Chief Executive Officer of The Sigma Trust, Jeff Brindle, and CCHS Principal, Neil Gallagher, on 23rd September.

Members of our staff were recognised throughout last year with awards for the STEM Team of the Year, STEM Educator of the Year (awarded by the Royal Institute of Engineers), Teaching Assistant of the Year, Educational Establishment of the Year for the PE Department, runner up in Pearson National Teaching Awards, for Outstanding New Teacher of the Year 2016, to name just a few acknowledgements. In November 2016, as a result of nominations from the last academic year we have been invited to an awards ceremony for 'Secondary School of the Year', Support Member of Staff and a Community Award for Commitment to Youth Services for a teacher from our Maths department. This is without mentioning any of the extra-curricular achievements of our very talented students.

Exam results and achievements are just part of the CCHS story. On 1st September Clacton County High School became a founder member of The Sigma Trust, along with The Stanway Federation (which includes two primary schools and the Thomas Lord Audley School) and St. Helena School. We are a group of like-minded schools with the determination to share expertise and work collaboratively to continue to improve the educational outcomes and experience for all our students. Working also in conjunction with Essex University in our VI6 partnership to broaden A level courses and opportunities, we are passionate about our continued efforts to drive up standards and widen aspirations.

Teacher Training is something that the school actively leads in and is the host school for North East Essex Teacher Training. Many ex-students take up teacher training through this route and once training is completed, we are very lucky to have many of these trainees electing to work here as members of our teaching staff. At Clacton County High School, we are a strong believer in partnerships and are always seeking new and innovative ways to work with others, this includes our parents. We never underestimate the importance of home and school working together and are committed to both our students and parents to ensure the success of the home/school partnership.

Community is at the heart of the ethos of this school which extends beyond our gates. Students are actively encouraged to think about others and the newly established Local Governing Board is extremely impressed at

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**STATEMENT FROM THE CHAIR OF THE LOCAL GOVERNING BOARD
FOR THE YEAR ENDED 31 AUGUST 2016**

the efforts made by our students; supported by their parents and teachers, and the kindness and generosity shown to others less fortunate than themselves. The contributions towards charitable causes last year was truly outstanding and they managed to raise an incredible £6,720, this is without all of the shoe boxes so generously filled for the pensioners of Holly Court last Christmas and more recently the children of Malawi.

As Chair of the Local Governing Board I am very proud of the current success of CCHS, but this does not mean we will be complacent, governors and staff are determined to maintain the high levels set in this record breaking year and, as part of the new Sigma Multi Academy Trust, we will continue to drive standards up and create opportunities for all of the student within the MAT.


Mr Stephen McGrath

Date

12 DEC 16

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an 11-19 academy servicing a catchment area in East Clacton. It has a net pupil capacity of 1535 and had a number on roll of 1531 in the summer 2016 census.

On the 12th August Clacton County High School changed its name to The Sigma Trust to accommodate the formation of a Multi Academy Trust on the 1st September 2016. The Accounting Officer and Executive Principal moved to the role of CEO for the trust and becomes the Accounting Officer for The Sigma Trust.

Founding member institutions of The Sigma Trust are;

- Clacton County High School (Clacton on Sea)
- St Helena School (Colchester)
- The Stanway Federation (Colchester) consisting of;

The Stanway School
The Thomas Lord Audley School
The Monkwick Infant & Nursery School
The Monkwick Junior School

Structure, governance and management

a. 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 Clacton County High School Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Clacton County High School. The Company changed its name to The Sigma Trust on the 12th August 2016, However the school will continue to operate under the name of Clacton County High School.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Academy Trust 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 x Community Trustees (to be elected and confirmed by the Members).
- Two x staff Trustees to be elected by the staff body usually by secret ballot, provided that the total number of Trustees (Including the Principal) does not exceed one third of the total number of Trustees.
- Four x Parent Trustees (Minimum of two) elected by the parents.
- The Principal will; by appointment to the Academy Trust be an elected Trustee.
- The Academy Trust may appoint up to three co-opted Trustees.

All Trustees are appointed for a four-year period and are able to be re-elected continually every four years if approved by the Members for Community Trustees, and also for Parent Trustees, while they continue to have children at the School or remain a member of staff for a staff Trustee.

The Academy Trust has five members; these positions are filled by the positions established; Chair and Vice-Chair of the Academy Trust, Chair of the Curriculum and Finance Committee, Chair of the Staff and Students Committee and the Principal.

When the need arises to fill a vacant Community Trustee place on the Trust, the Members take this opportunity to review the skills within the remaining body of Trustees and look to complement any perceived skills shortage with new Trustees with those attributes, this may be through word of mouth, canvassing letters to relevant industry fields or recruitment events advertised in local media. Any potential Community Trustees are then 'interviewed' by the members to ensure the appropriate skills required are evident during this process. Parent Trustee vacancies are advertised through recruitment letters to all students currently on roll at the school, and staff vacancies are advertised through internal media.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New Trustees' attend an induction meeting with the Principal and Chair of the Trust to understand the role and expectations to support and challenge the school. Where appropriate after attending the first Full Trustees meeting of the academic year, a Trustee may be allocated to serve on a Committee with delegated responsibilities. All Trustees undertake training as appropriate to their work at the school and the relevant Committee on which they serve.

The Academy Trust purchases the support provided by the Local Authority Governor Services team, which provides general training in most areas of school management, as well as tailored training for the Academy Trust. The Vice Chair of the Trust is the training link Governor and reports on Governor/Trustee training courses attended and supporting individual Trustee training needs. As a member of the North East Essex Education Partnership (NEEEP) the Chair of the Trust meets bi-monthly with his fellow NEEEP Chairs to share best practice, arrange relevant collaborative NEEEP Trustee training sessions as well as providing "Stretch and Challenge" to each partner school.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trustees of the Academy have established a staffing structure for which they believe will enable the Academy to meet the needs and expectations of its vision and aims. The staffing structure is reviewed and monitored to ensure it is financially sustainable on both short and long term forecasts.

The Leadership Teams remuneration is based on the criteria set out in the nationally agreed Teachers Pay and Conditions document (TPAC) and is benchmarked against the nationally agreed leadership pay ranges. The Principals pay range is based on the established group size for a secondary academy and is determined by the number of students on roll, key stage weightings and the number of special educational needs students. This is then reviewed in light of any additional responsibilities undertaken by the Principal such as support for other schools, or leadership responsibilities for external organisations or related parties such as any teacher training provisions or alternative provision units. Other leadership salaries are determined by the Trustees in collaboration with the Principal 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 the Trustees, when agreeing the staffing structure, review the successes of the Academy against value for money expended on leadership staffing costs.

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

f. ORGANISATIONAL STRUCTURE

The Trustees, are responsible for the overall management and control of the school.

The Trustees have established a clear structure to delegate day to day management of the Academy via the Principal, who is the Accounting Officer the Principal and the senior Leadership team, and then an extended leadership Team. The Senior Leadership team consists of the Executive Principal, Principal and two Vice Principals, these senior staff have responsibility for ensuring the School Development Plan is delivered as expected by the Academy Trust Board;

The School Improvement Plan is split into five defined areas,

- Leadership & Management
- Behaviour & Safety
- Teaching & Learning
- Curriculum & Achievement
- Sixth Form Provision

Each of the above areas also has at least one Link Trustee who monitors closely the outcomes and then reports back to the Academy Trust.

To complete the Senior Leadership Team there are two Senior Assistant Principals, responsible for Staff Development and Sixth Form, four Assistant Principals with responsibility for KS3, Primary Liaison, Quality of Teaching and Data Analysis and the Schools Business Manager with oversight of Finance & Support Operations. The day to day practices are managed in line with the relevant policies approved by the Academy Trust or associated committees; the spending of the Academy is managed in line with the Finance Regulations and the approved budget.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

To support the Academy with achieving its objectives the Academy liaises with organisations such as the Local Authority, Primary Care Trust, Tendring Education Trust, Social Services, National College of School Leadership, as well as many other local educational providers, local schools and higher educational providers.

Clacton County High School is also the recognised lead entity by the NCTL for the North Essex Teacher Training SCITT scheme, the Academy Trust has delegated a committee of Trustees to have oversight of the scheme. The Principal and School Business Manager work with the schemes leadership team to operate the scheme in line with the guidance and expectations set out by the NCTL. The financial and governance policies for the NETT scheme are established within the Academy's policies and procedures.

The Academy also works in partnership with four other local 11-18 Secondary schools in the local area 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 post-16 which could not be offered viably in a single institution. Another key aim of this project is to raise the aspirations of the young people in the area to help make access to Higher Education a reality. This partnership has been selected as a finalist in the TES national education awards 2016. The Headteachers/Principals and lead staff from these institutions meet as an executive team to operate the programme.

The Academy also has operational connections with the local Teaching School Alliance (TSA) Coast2Coast, The Executive Principal sits on the Management Board of the TSA, as NETT procures its trainee allocation through the TSA. Coast2Coast also supports partner schools with CPD programmes.

Clacton County High School is an original member of the North East Essex Educational Partnership (NEEEP) Umbrella Trust which consists of six other local secondary Academies, which are working together to share best practice and support to provide the best possible education possible. NEEEP operates as a Limited Company with the lead Principal/Headteacher and Chair of Governors from each partnership Academy to run and operate the Company.

h. TRUSTEES' INDEMNITIES

In accordance with commercial practice the Academy has purchased Trustees' Liability Insurance to protect the Trustees and Officers from claims arising from negligent acts, errors or omissions whilst on School business. The cover under the policy is £5 million; this is held with Catlin Insurance Company (UK) Ltd. In the period under review there have been no claims made against this policy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Objectives and Activities

a. OBJECTS AND AIMS

Clacton County High School's main objectives are encompassed in our mission statement and School vision;

Our vision at Clacton County High School is to create opportunities within and beyond the curriculum to enable each student to develop his or her potential to the full in order that he or she may be a confident, independent and successful adult.

- We seek to widen the aspirations of all students, to help them to create a goal they can then strive to achieve.
- We have high expectations of academic success and personal behaviour and believe these are best achieved in a caring environment.

Both these aims are encompassed in our mission statement: Wider Aspirations, Higher Expectations.

- We recognise the importance of each individual within the School community and the place of the School in the local community.
- We seek to create a working environment in which learning is at the heart, students come to school to learn and it is our job to help them.
- We aim to promote lifelong learning by developing creative, independent and reflective thinkers.
- We encourage students to enjoy their time at school by providing a range of enrichment activities to help enable this.
- We value responsibility, initiative and enterprise and build these into our curriculum.
- We promote respect and good manners; these are fundamental to our community.
- We believe in the equality of opportunity and in celebrating success of all kinds.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our main objectives for this period, were established in our 2014/15 School Development Plan and were as follows:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Leadership & Management

Key Priorities	Purpose/Reason	Success Criteria
To enrich the curriculum through a series of REAL (Religious, Ethical and Lifelong Learning) days aimed at delivering aspects of PSHE, SMSC and Careers education to enable our students to develop a greater understanding and appreciation of our diverse society.	<ul style="list-style-type: none"> • Ensure PSHE and British values are fully delivered • Ensuring outstanding delivery of PSHE (good in last subject inspection) • Ensuring that our students widen their horizons to fully understand life in a diverse Britain • Ensure that students all have access to outstanding CIAG 	<ul style="list-style-type: none"> • Gridmaker shows that all elements are fully covered • SIR drop ins show sessions are at least good, many are outstanding. • High profile displays indicate that students are considering their role in society • Progression post-16 high; NEET <2%
To further develop leadership capacity within the school by supporting middle leaders through clearly identified CPD and targeted intervention.	<ul style="list-style-type: none"> • Provide support for newly appointed and inexperienced colleagues. • Improve outcomes in English and humanities. 	<ul style="list-style-type: none"> • Middle leaders programme leads to significant improvement in outcomes within subject; Middle Leader achieves PM targets.
To further develop the monitoring and evaluation of the quality of teaching and learning through traditional lesson observations, shorter visits to a series of lessons and regular book reviews. The focus will be on the quality of experience across the school as well as the individual teacher performance management reviews. The focus of each visit will be predetermined linked to key aspects of school policy.	<ul style="list-style-type: none"> • Move teachers from RI to good and from good to outstanding. • Familiarise staff with Ofsted format of observations. • Evaluate climate of school through SIRs. • Monitor consistent implementation of policies: presentation and marking 	<ul style="list-style-type: none"> • Lesson observations to increase to 30% outstanding and number of teachers regularly delivering outstanding lessons to rise to 12 • 100% of teaching staff to have been observed during at least 1 SIR • Grades of SIR elements recorded with improvement from last areas for development recorded. • 100% of subject areas to be in line with school policy for marking and presentation.
To develop effective collaboration with other Post 16 providers to enrich and enhance the curriculum offer by becoming a lead school in V16 partnership with Essex University.	<ul style="list-style-type: none"> • Widen the choice of subjects available • More cost effective delivery of minority subjects • Improved quality of teaching • Raise aspiration for Higher Education 	<ul style="list-style-type: none"> • 7 Year 12 A Level courses created and running at Essex Uni • 10+ students in each class • Joint observations carried out and all lessons at least Good • Increase in HE progression in 2017 from 53% in 2015

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

To use our approved sponsorship to create a Multi Academy Trust linked to a number of the NEEEP academies and identified primary schools and to create a model of governance aimed at creating additional capacity and accountability.	<ul style="list-style-type: none"> • A larger MAT will provide enhanced challenge, accountability and support • Support deeper collaboration with partner schools 	<ul style="list-style-type: none"> • MAT established with all or a majority of NEEEP schools leading to improved accountability and governance and faster school improvement
To continue to expand and improve the learning environment to cope with predicted rise in pupil numbers by ensuring the successful completion of the additional classrooms between A and B Blocks.	<ul style="list-style-type: none"> • Increase the capacity to accommodate growing roll. • Enhance the circulation around the school and access to the Sixth Form common room. 	<ul style="list-style-type: none"> • Building work does not impact on smooth running of the school. • Increase capacity by 75 places from September 2016. • Build comes in on budget and on time.

Teaching & Learning

<u>Key Priorities</u>	<u>Purpose/Reason</u>	<u>Success Criteria</u>
To ensure teachers assessments are based on robust and objective models that identify what students have achieved and what they need to do to improve. Assessment at Key Stage 3 will reflect "life without levels" by introducing a 5 scale progress measure for each student.	<ul style="list-style-type: none"> • Response to need to ensure improved accuracy in assessments, particularly in non-core subjects • Response to removal of levels in new National Curriculum • Ensure appropriate and timely interventions are in place for key students. • Certainty that all groups of students are making at least good progress. 	<ul style="list-style-type: none"> • 90% accuracy to within one grade for Year 11 classes. • New assessment model introduced and parents informed of changes • Outcomes from assessments linked to LABS and interventions in place. • Lesson observations demonstrate accuracy of assessments
To maintain a concerted focus on improving the quality of marking and feedback to students to ensure that it has a significant impact on learning. To ensure the school's marking policy is implemented consistently across the school and is fully understood by all stakeholders.	<ul style="list-style-type: none"> • Students make good progress as a direct result of teacher feedback. • Progress over time is good or better. • Lesson observations in 2014/15 identified some inconsistency in implementation of school policy 	<ul style="list-style-type: none"> • 100% SIRs evidence grade 2 or better for marking and student response. • 100% SIRs evidence grade 2 or better for progress over time.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Behaviour & Safety

<u>Key Priorities</u>	<u>Purpose/Reason</u>	<u>Success Criteria</u>
To continue to improve the level of attendance, and maintain Persistent Absence below national average (against the new 10% threshold), amongst all groups of students.	<ul style="list-style-type: none"> • Response to dip in attendance in 2014/15 • Improved attendance is clearly linked to improved achievement and attainment. • Absence can be an early indicator for Child Protection issues. 	<ul style="list-style-type: none"> • No group to have attendance data below national average. • Less than 10% of our students are PA.
<p>To maintain high levels of safeguarding with all students, to ensure that this is not a barrier to any student achieving their potential, through all staff being regularly updated with training (e.g. tackling radicalisation and identifying students at risk) and maintaining accurate records.</p> <p>To ensure governors are fully informed of all safeguarding matters, involved in completing the County safeguarding audit and are refreshed on CP & Safeguarding training at regular intervals.</p>	<ul style="list-style-type: none"> • Safeguarding every child is the highest priority for the school. • New training is available at regular intervals throughout the year from ECSB and this needs to be disseminated to all staff to ensure they are up to date with current topics/issues and feel confident to address these issues should they arise. • With staff changing throughout the year it is essential to keep a central safeguarding training record. 	<ul style="list-style-type: none"> • Safeguarding training delivered to 100% of staff at key points throughout the year (evidenced in training log) • County Safeguarding audit complete with a score of 100% (2014-15 this was 95%) • Governor minutes show CP & safeguarding addressed as a standing agenda item and Governor visits shows a termly visit from link Safeguarding governor to the school.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Curriculum & Achievement

<u>Key Priorities</u>	<u>Purpose/Reason</u>	<u>Success Criteria</u>
To raise standards across KS4 with a clear focus on English and the baccalaureate areas, humanities in particular, to ensure that all students have access to a high quality academic curriculum. Objective mock exams to be used regularly providing detailed feedback leading to sharp intervention and higher standards.	<ul style="list-style-type: none"> • in 2015 "Bucket 2" was our lowest performing element of progress 8 • English Language was a significant issue in 2015. 	<ul style="list-style-type: none"> • "Bucket 2" to achieve a minimum progress score of +0.15 • English Language progress score to be similar to mathematics +0.40
To deliver a broad balanced curriculum that enables ALL learners to achieve highly within the Progress 8 framework including our foundation learners and gifted and talented learners.	<ul style="list-style-type: none"> • Need to respond to changing headline measures whilst maintaining a broad offer for students • The proportion of A/A* grades is not high enough 	<ul style="list-style-type: none"> • Ensure that the progress 8 curriculum and FL curriculum match the needs of our learners leading above average Progress 8 outcomes; target of +0.50 • Exceed the National average A/A* cohort target from relevant KS2-4 transition matrix

Sixth Form Provision

<u>Key Priorities</u>	<u>Purpose/Reason</u>	<u>Success Criteria</u>
To raise standards across AS & A levels in the Sixth Form to enable our students to make progression onto university courses or into gainful employment.	<ul style="list-style-type: none"> • Post-18 NEET figures low • Improve progress within academic subjects 	<ul style="list-style-type: none"> • NEET <2% • Ensure AS and A level point scores improve leading to ALPs grade 4.
To improve the accuracy of assessment at AS level so that interventions can be more timely and focussed and raise attainment.	<ul style="list-style-type: none"> • Predicted grades are too generous and interventions are consequently misplaced, without AS modules A level predictions may well suffer with terminal assessment 	<ul style="list-style-type: none"> • Assessment accuracy to show significant improvement.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. PUBLIC BENEFIT

Clacton County High School Academy 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.

d. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Academy is a strong and continuously improving institution serving a community with significant levels of deprivation, under-employment and low aspiration.

The Department for Education (DfE) recently released national comparative data based on school performance in 2016. The new DfE headline benchmark is 'Progress 8' based on the progress pupils make from the end of primary school until the end of secondary school across a curriculum of 8 subjects. Under the previous system, schools were judged on the proportion of students who gained at least five A*-C grades at GCSE, including English and maths which was criticised for encouraging schools to focus disproportionately on the C/D borderline students.

Clacton County High School is celebrating being recognised as one of the highest performing schools in the country in 2016. Using the new DfE 'Progress 8' measure Clacton County High School ranked 35th out of 6382 schools, in the top 0.5% in England!

What does this new Progress 8 measure mean?

If the Progress 8 score was 0 then students would have achieved in line with other students nationally with the same starting points in each of the 8 subjects they studied, if the Progress 8 score was +1 then students would have achieved 1 grade higher in every subject they studied compared with other students with the same Key Stage 2 prior attainment from primary school (only 7 schools in England achieved a Progress 8 score of +1 or higher)

At Clacton County High School, the Progress 8 score was +0.71 and which was not only the highest in Essex but also the Eastern region including Suffolk, Norfolk, Lincolnshire, Cambridgeshire and Hertfordshire.

In 2015/16 colleagues were recognised for their impact on the education of our students both locally and nationally including Essex teaching award winners in the categories of; "outstanding new teacher of the year", "teaching assistant of the year", "team of the year" won by our STEM team (Science, Technology, Engineering and Mathematics). This led to a colleague winning a national award for "STEM educator of the year" and another colleague a national finalist in the category of "outstanding new teacher of the year".

The school was also one of only a handful of schools to feature as a case study school in the "Parliamentary Review of the Year" which is a highly prestigious publication that is circulated nationally to all educational establishments, raising the profile of CCHS to a broad audience.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. KEY FINANCIAL PERFORMANCE INDICATORS

Clacton County High School - Academy Trust is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence, as shown above the school continues to improve year on year with its own achievements.

Educational Outcomes

Year 11

- Progress 8 +0.71 (top 0.5% nationally); Progress 8 for disadvantaged pupils +0.44
- Attainment 8 52.54; Attainment 8 for disadvantaged 48.61
- 61% Achieving a good pass in English and maths; 47% of disadvantaged students achieved a good pass in English and maths.
- 14% Achieving the English Baccalaureate; 10% of disadvantaged students achieved the English Baccalaureate.

Year 13

- 48% achieved A* - B in A level subjects
- 76% A* - C.
- The average A Level grade was a C
- 92% Dist*-Dist in Level 3 BTEC programmes
- The average BTEC grade awarded was a Dist*-
- 99.4% pass rate overall.
- 117 Students completed Year 13.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Attendance

Attendance	Whole Year			
	12/13	13/14	14/15	15/16
All	94.6	94.9	94.3	94.6
Year 7	95.1	95.2	95.2	95.7
Year 8	94.3	95.1	94.5	95.2
Year 9	93.9	94.7	93.2	94.3
Year 10	94.5	94.9	93.3	93.3
Year 11	94.7	95	94.4	94
Male	94.7	95.1	94.5	94.7
Female	94.4	94.7	94.2	94.4
FSM	93.5	93.7	92.9	92.9
Non FSM	95.2	95.8	95.4	94.9
E	94.4	94	93.4	93.9
K	93.8	91.2	94.6	92
Non - SEN	94.6	95.1	94.5	94.8
CiC	96.7	97.3	98.4	96.6
Non-CiC	94.6	94.9	94.1	94.5
PPG		93.9	93.4	93.4
Non-PPG		95.7	95.3	95.5

After a dip in 2014/15 our attendance improved in 2015-16, however, this remains one of the Academy's key areas for improvement 2016-17, as despite our nationally recognised student progress outcomes being so high, our student attendance is average when compared to national comparators.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Finance

% of Income /Expenditure	2013	2014	2015
Educational Supplies	2.9%	3.3%	2.8%
Exam Fees	1.6%	1.8%	1.5%
Staff Development	0.3%	0.2%	0.2%
Educational Consultancy	2.8%	1.4%	0.8%
Utilities	2.0%	2.2%	2.2%
Total Teaching Costs	60.9%	61.5%	61.8%
Total Support Staff Costs	10.8%	11.5%	11.7%
Total Staffing Costs	71.7%	73.0%	73.5%

In January 2016 Clacton County High School and four other like-minded academies in our local area submitted a joint bid to the Department of Education to form a Multi Academy Trust to be known as The Sigma Trust. This bid was approved with some amendments in April 2016. On the 1st September 2016 The Sigma Trust was formed.

b. INVESTMENT POLICY AND PERFORMANCE

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

The Academy uses a current account with a bank approved by the Academy Trust and maintains a balance in that account that is sufficient to cover immediate and forthcoming financial commitments

Monies surplus to these requirements can be invested in an account in the name of the Academy and a savings account is operated by the Trust to maximise the reserves, however this savings account is a low risk option.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has 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.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust's risk management processes aim to minimise the perceived risk to the academy trust. The main current risk of any materiality relates to the deficit the academy trust holds in the Local Government Pension Scheme. 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 increase despite the payments having been made.

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

- Lower student transition in the school from 16 to 19 provision.
- Planning for substantial increase in school roll.
- Meeting requisite standards of education for students in core subjects.
- Complying with legislative requirements regarding employment, law, data protection, discrimination, Companies House and HRMC, child protection, the Charity Commission and the National Curriculum.
- Future changes to unitary payment for the Academy's PFI project.
- Significant changes to the school's annual funding budget due to the move to a national funding formula.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.
- Changes to the curriculum, which suppress student choice for subject options.
- Continued increase in the Local Government Pension Scheme Liability.

The key controls used by the Academy include:

- Detailed terms of reference for all committees.
- Formal agendas for the academy 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 school posts.

The Trustees and Senior Leadership Team continue to monitor the risks that the academy faces, and addresses these risks through the continued monitoring of the schools Risk Management Policy.

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TRUSTEES' REPORT (continued)
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c. 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 Academy'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.
- Lower student transition in the school from 11-16 to 16-19 provision.
- Uncertainty, turbulence or expected reduction in funding from the EFA.
- uncertainty and concern over the affordability of the PFI contract over the long term of the contract.
- Curriculum changes requiring the need for large investment in facilities development or ICT investment
- Cash flow timing issues.
- Significant changes to the school's annual funding budget due to the move to a national funding formula
- One month's salary bill - currently around £570,000.

The Trust is holding reserves (excluding the fixed asset funds) of £1,545,573 of which £900,749 is an unrestricted general reserve fund of which an amount remains which was inherited on conversion. The remainder of this holding reserves figure is £644,824 which has been accrued since conversion to academy status. Of the £644,824 restricted reserves, the Academy had been working on plans with the local authority and PFI parties in respect of the potential expansion of the school premises, with an anticipated cost to the school of £585,000. Since the year end, progress with this project has halted and other projects to develop the school will now be pursued to utilise the accumulated reserves.

The balance sheet includes a liability of £4,547,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see pensions note for further details).

d. DEFICIT

The balance sheet includes a liability of £4,547,000 in relation to the Academy's valuation of the Local Government Pension Scheme (see pensions note for further details).

e. PRINCIPAL FUNDING AND FINANCIAL REVIEW

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

During the period ended 31 August 2016, recurrent expenditure exceeded income from the General Annual Grant by £43,083.

The balance sheet includes a liability of £4,547,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see note for further details).

The Academy has built up a sum of £1,545,573 in its reserves of which £880,000 was inherited on conversion and a further £20,749 since conversion and is therefore deemed as unrestricted. The Academy Trust has been concerned over funding in the last few years due to the continued projection of a reduction in primary to secondary transition numbers and the uncertainty of the costs associated with the Academies Private Finance Initiative Scheme, and, as such has previously deemed it appropriate that financial prudence is practiced and a reserves amount £750,000 has been earmarked to deal with these uncertainties. In addition to these localised issues, the Academy's Trustees have also been considering the potential negative implications of a National

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TRUSTEES' REPORT (continued)
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Funding: Formula, rise in employer's pensions contributions and inflationary increases in costs and services as well as staff pay increments, whilst balancing a budget with stagnant or in Essex County Council's terms, reductions in AWPU rates.

However, the Trustees are now in a slightly more confident position regarding the Academy's finances due to the Academy's PFI contributions being resolved in a positive manner, an allocation of Minimum Funding Guarantee, and the primary transition numbers now starting to arrive into Year 7.

These positive actions leave the Academy in a slightly more stable position to move forward to consider investing in further modifications to the school estate to make other learning environments more conducive to the rising student numbers.

With the above statements made, the Academy Trust still believes that a reserves amount of £750,000 is providing the financial security required for an Academy of our size.

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TRUSTEES' REPORT (continued)
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a. FUTURE DEVELOPMENTS

Due to the change to a multi academy trust, and a change to the Trustees and overarching vision of the trust, the below future plans identified are that of The Sigma Trust, and are for implementation across all academies and are as follows;

Leadership & Management	
To ensure that the mission, vision and values of The Sigma Trust are shared and embedded within each academy	<ul style="list-style-type: none"> • Ensure the mission, vision and values of Sigma is fully communicated, shared and implemented across all academies. • Develop effective communication strategy that presents a positive outward face to the world.
To ensure that governance in The Sigma Trust is effective at all levels and lines of accountability are fully understood.	<ul style="list-style-type: none"> • Ensure the Board of Trustees, Sub-Committees and Local Governing Bodies are established with clear terms of reference and levels of commitment fully understood and demonstrated. • Develop role of independent consultant supporting identified LGBs • Ensure that self evaluation is embedded into each group to enable them to measure their effectiveness.
To develop leadership capacity across The Sigma Trust to enable students to make the best progress possible.	<ul style="list-style-type: none"> • Review leadership capacity across Sigma academies and identify strengths and areas for development • Work with TSA to create targeted programme of CPD for Senior and Middle leaders • Create roles of Subject Leads in English, Maths and Science to support the development of these key areas of the curriculum. • Release staff with SLE or Lead Practitioner roles to provide support in identified areas. • Commission support from identified outstanding Primary provision to create leadership capacity in primary schools.
To ensure that The Sigma Trust becomes the employer of choice in the area leading to enhanced recruitment, retention and greater career progression of staff through close partnership with local ITT providers	<ul style="list-style-type: none"> • Ensure all schools have access to at least 1 trainee in 2017/18 and a minimum of 5 in secondary schools • Provide support for schools with limited capacity to mentor trainees • Develop links with Teach First and work collaboratively with existing providers. • Develop a structured approach to overstaffing to provide capacity to second staff to support other schools. • Develop a career progression profile for staff linked to performance management and CPD.

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To ensure effective quality assurance, monitoring and evaluation systems are in place across The Sigma Trust academies.	• Agree systems of data collection and quality assurance linked to effective intervention processes building on knowledge and experience already in place.
	• Agree lesson observation policy to ensure all staff are subject to equivalent levels of accountability.
	• Implement arrangements for CEO and Headteacher's PM
	• Create Triad programme based initially on two Sigma academies and one external school model on an agreed focus to provide mutual support and challenge.
	• Develop Primary Triad model building on existing partnerships.
To implement expansion plans for the Multi Academy Trust.	• Seek to expand by a minimum of two academies in first year.
	• Work with other MATs and local groups to provide additional capacity.
	• Implement effective succession planning to ensure Sigma has the capacity to support additional schools and continue to thrive.
To develop an evolutionary approach to providing wider central services as the Sigma Trust expands.	• Set up initial core team consisting of CEO, Improvement Lead and seconded Directors of Finance, Operations and HR. Company Secretary.
	• Review all services to identify those that would be more effectively and efficiently delivered from the centre.
	• Review cover and careers arrangements to explore the central administration and deployment.
	• Explore alternatives to Essex for the delivery of more effective occupational health support.
To ensure all Sigma academies are financially secure.	• Review income, expenditure and reserves for all Sigma schools and create a three year plan to ensure all schools are able to achieve an in-year balance.
	• Analyse staffing and other costs, using effective benchmarking, in each academy and identify efficiency savings.

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TRUSTEES' REPORT (continued)
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Behaviour & Safety	
To improve levels of attendance across all groups of students so that students make the most of the opportunities available at school (academic, social, extra-curricular)	<ul style="list-style-type: none"> • Ensure monthly attendance data across Sigma schools is presented in a consistent manner and clearly identifies the attendance of different groups. • Review the strengths of each academy in monitoring and responding to attendance
To secure effective social, emotional & mental health support for children of all ages so that an appropriate nurture model is developed at each Sigma academy	<ul style="list-style-type: none"> • Work in collaboration with TSAs (C2C and/or Learning Pathways) to develop a programme for students of all ages to support staff to understand and respond effectively to the social and emotional needs of children who show challenging behaviour. • Work with Steve Whitfield (Ed. Psych.) to identify additional support required to meet the needs of young pupils with significant social and emotional issues • Work with local special schools to identify additional out reach support.
To work with NEEAPS and others to ensure that increased support is provided for vulnerable students.	<ul style="list-style-type: none"> • Role out "Grow" and "STOP" provision across all academies to minimise fixed term exclusions. • Work with NEEAPS to ensure Positive Referrals and Managed Moves can work effectively at all key stages to avoid permanent exclusions and reduce in year turbulence. • Ensure that the learning centre at the Alderman Blaxill site provides effective support.

Teaching & Learning	
To establish a cross Trust programme for moving the quality of teaching forward for all staff.	<ul style="list-style-type: none"> • Identify the proportion of staff deemed to be Outstanding, Good etc. • Use joint cross academy observations to ensure greater consistency supported by external advisors. • Work with TSAs to develop a programme of CPD to promote higher proportion of outstanding teaching • Identify cross academy mentors with Lead Practitioner roles to develop outstanding teaching. • Ensure common framework exist in all academies for addressing underperformance.
To ensure teachers' assessments are based on robust and objective models.	<ul style="list-style-type: none"> • Review existing structures of assessment, moderation, monitoring and intervention to ensure any underachievement is identified and reduced.

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TRUSTEES' REPORT (continued)
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Curriculum & Achievement	
To raise standards across KS4 to achieve positive Progress 8 scores in each "bucket" or group of students.	<ul style="list-style-type: none"> • Review outcomes from 2016 exams across all academies and identify areas for improvement. • Create improvement plan for each group of subjects/students that have a negative Progress 8 score.
To ensure all Primary schools are above the definition for coasting schools in terms of pupil progress each academic year.	<ul style="list-style-type: none"> • Review outcomes from 2016 KS2 SATS and identify areas for improvement. • Create improvement plan for any area, reading, writing or Maths, that is below floor target/coasting threshold for progress.
To agree across Sigma academies the adoption of exam specifications for different groups of students at KS4.	<ul style="list-style-type: none"> • Use clear internal or external evidence based research to identify the appropriate exam specifications and structures for Maths and English for first exam in 2017. • Students, in identified ability groups, to sit same specification across Sigma schools to allow effective support, moderation and joint mock exams.
To ensure that transition arrangements from KS2 to KS3 enable students to build on prior achievements.	<ul style="list-style-type: none"> • Develop a consistent approach to assessing students' prior achievement across the curriculum.
To review curriculum models for Foundation Learners and seek ways of increasing 14-16 Alternative Provision.	<ul style="list-style-type: none"> • Review current provision including Alderman Blaxill site, NEEAPS and possible Free School bids

FUNDS HELD AS CUSTODIAN

The Academy Trust acts as a custodian to funds held on behalf of the Tendring Primary Partnership, these funds have been given to Clacton County High School for the Tendring Primary Partnership by Essex County Council. The Executive Principal has been nominated as Chair for this Partnership by Essex County Council and as such facilitates the creation of the action plan and ensures the funds are spent in an appropriate manner to meet the outcomes of the partnership. In this financial year the Partnership was allocated a grant £20,000, as of the 31st August 2016 the Partnership had a surplus taken into the following financial year of £14,022.50. With the creation, on the 1st September of The Sigma Trust, the Chair of the Partnership and management of the remaining funds has been passed to one of the partner primary schools. At the earliest available opportunity, these funds will be passed over to the new host school to continue with meeting the requirements as identified in the Partnerships action plan. Through the Financial Management System these funds are allocated their own Cost Centre to ensure segregation and identification of spent and unspent funds.

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TRUSTEES' REPORT (continued)
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DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's auditors in connection with preparing their report and to establish that the Charitable Company's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on **12/12/16** and signed on its behalf by:



Mr Nick Pavitt, Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Sigma Trust previously known as Clacton County High School 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 Executive Principal; Mr 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 previously known as Clacton County High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Herbert Foster	4	4
Mr Stephen McGrath	5	5
Mr Richard Moodey	5	5
Mrs Elizabeth Croxon	3	5
Mrs Lorraine Smith	5	5
Mrs Mel Willsmore	4	5
Ms Justine Holmes	2	5
Mrs Julie Aldis	1	1
Mr Jeff Brindle	5	5
Ms Caroline Barratt	3	5
Mrs Carole Carlsson Browne	3	5
Mrs Elizabeth Ridout	4	4
Mr Neil Gallagher	5	5
Mr Gary Winterford	0	0
Mr Nick Pavitt	0	0
Mr Andrew Dayenall	0	0
Mr Bradley Powell	0	0
Ms Lorraine Laudrum	0	0

This year has seen the trustees' contemplating some major decisions over the future of the trust and other academies in our locality. The trustees believe that the strengths and skills within our members has made these decisions in a transparent and professional manor, and believes that this change to a multi academy trust will enable the academy to continue to raise the outcomes of our students in our locality and share best practice and strong governance with other like-minded academies.

The academy has over the year seen the resignation of our long term Chair of Governors Mr Bert Foster, with this resignation we have lost a wealth of historic knowledge after many years of leadership within the Governance of Clacton County High School, However, it is recognised that the trustees left in place under the new leadership of Mr Steve McGrath have the correct balance of skills and experience to led Clacton County High School in to its next phase as a multi academy trust under the direction of the trustees of The Sigma Trust.

On the 14th September 2016, many of the Clacton County High School trustees resigned as part of the transfer to a multi academy trust, to enable a new board of trustees to lead the six academies in the new trust and take over the governance. Three of the Clacton County High School trustees have transitioned over to the new board

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GOVERNANCE STATEMENT (continued)

and have been joined by 6 other external trustees to develop The Sigma Trust. CCHS will continue to have the original trustees in place however they will operate as a Local Governing Board from this point.

Clacton County High Schools last Ofsted inspection carried out in July 2014, confirmed the findings of the previous full section 5 inspection which graded Leadership and Management as 'GOOD', the trustees are expecting a section 8 inspection in the very near future, and believes through its self-evaluation with the leadership team that the academy should be graded by Ofsted as 'outstanding'.

The trustees continue to play an active part in school monitoring by attending 'review meetings'. Our 'link' Governors continue to meet with the appropriate Senior Leadership Team member to challenge outcomes and areas of responsibility. The trustees have undertaken safeguarding and Financial monitoring training, and has continued to investigate and understand the structures and purpose of gaining MAT status throughout the journey to the established MAT on the 1st September.

The Curriculum and Finance Committee is a sub-committee of the main board of trustees. Its purpose is to review and monitor the educational provision and outcomes of the students who attend the academy and also to review and monitor the academy's financial systems, practices and operating funds. The committee has both enjoyed the successful outcomes achieved by the staff and students across the school and was overwhelmed by achieving the progress 8 score placing us in the top 0.5% of all schools nationally, but also the awards and recognition received by staff from external bodies, for national new teacher of the year, STEM team of the year and TA of the year. The C&F Committee also feels that the long term financial viability of the academy is secure due to the increases in student numbers at year 7 and is pleased with the outcomes of the external responsible officer reviews completed at the academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Richard Moodey	3	3
Mr Herbert Foster	2	2
Mr Stephen McGrath	3	3
Mrs Elizabeth Croxon	1	3
Ms Justine Holmes	2	3
Mr Neil Gallagher	3	3
Mr Jeff Brindle	3	3
Mrs Carole Carlsson Browne	2	3
Mrs Elizabeth Ridout	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Leading the academy to a Progress 8 score of +0.71 (top 0.5% nationally);
- Leading the academy to a Progress 8 score for disadvantaged pupils +0.44;
- Working with other NEEEP headteachers and Trustees to successfully converting the academy to achieving multi academy trust status and opening a new MAT called The Sigma Trust;
- Managing the SCITT scheme to its highest number of recruited trainees to address the staffing shortages in the local area;

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GOVERNANCE STATEMENT (continued)

- Leading on the V16 project to enable minority post 16 subjects to continue which otherwise would not be financially viable, by collaborating with other local academies and Essex University;
- Entering in to an additional improved Gas supply contract reducing costs by circa £15,000 per year
- Working with NEEAPs to reduce alternative provision costs and remodelling the academy operating structure to enable the closure of the Applied Learning Centre reducing costs for alternative provision by circa £100,000 in the following financial year.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sigma Trust previously known as Clacton County High School for the year 1st September 2015 to 31st August 2016 and up to the date of approval of the annual report and financial statements.

Due to the trusts change in status to The Sigma Trust, Internal controls will be reviewed further in light of this change and appropriate systems have been introduced to allow for trust wide consistency.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1st September 2015 to 31st August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees

Due to the trusts change in status to The Sigma Trust, a revised risk management processes is underway by the new CEO on behalf of the new Board.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the 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 Mrs Mel Willsmore as responsible officer but outsource the completion of these additional checks to Griffin Chapman chartered accountants who will liaise with the academy's responsible officer.

The Responsible Officer; with support and guidance from the external accountants', role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Twice a year

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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GOVERNANCE STATEMENT (continued)

the RO reports to the board of trustees, through the Curriculum and Finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

All issues raised in the financial year 15-16 were deemed to be low level as assessed by the external accountants, all improvements as suggested by the accountants have now been addressed by the academy's finance staff and changes to operating systems / operating practices have been implemented.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Principal; Mr 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:

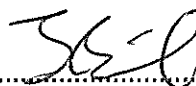
- The Board of Trustees;
- Reviews by the Responsible Officer;
- The work of the external auditor;
- Finding of the Curriculum & Finance Committee
- The work of the School Business Manager and the other Senior Leadership Teams from within the academy who have responsibility for the development and maintenance 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 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 12/12/16 and signed on their behalf, by:



Mr Nick Pavitt
Chair of Trustees



Mr Jeff Brindle
Accounting Officer

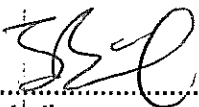
THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Sigma Trust previously known as Clacton County High School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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


.....
Jeff Brindle
Accounting Officer

12 December 2016

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of The Sigma Trust previously known as Clacton County High School and 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DFE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on **12/12/16** and signed on its behalf by:



.....
Mr Nick Pavitt
Chair of Trustees

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL**

We have audited the financial statements of The Sigma Trust previously known as Clacton County High School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



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:

15 December 2016

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sigma Trust previously known as Clacton County High School during the year 1 September 2015 to 31 August 2016 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 previously known as Clacton County High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sigma Trust previously known as Clacton County High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sigma Trust previously known as Clacton County High School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANTS

The accounting officer is responsible, under the requirements of The Sigma Trust previously known as Clacton County High School's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

- 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.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have 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)

for and on behalf of

Griffin Chapman

Chartered Accountants

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

Date: 15 December 2016

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	-	32,142	32,142	41,806
Charitable activities	3	-	9,746,831	-	9,746,831	9,748,339
Other trading activities	4	-	98,397	-	98,397	75,096
Investments	5	18,247	-	-	18,247	2,461
TOTAL INCOME		18,247	9,845,228	32,142	9,895,617	9,867,702
EXPENDITURE ON:						
Charitable activities		-	9,950,720	104,579	10,055,299	9,813,783
TOTAL EXPENDITURE	8	-	9,950,720	104,579	10,055,299	9,813,783
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	18,247	(105,492)	(72,437)	(159,682)	53,919
		-	(88,588)	88,588	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		18,247	(194,080)	16,151	(159,682)	53,919
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(1,943,000)	-	(1,943,000)	116,000
NET MOVEMENT IN FUNDS		18,247	(2,137,080)	16,151	(2,102,682)	169,919
RECONCILIATION OF FUNDS:						
Total funds brought forward		882,502	(1,765,096)	847,071	(35,523)	(205,442)
TOTAL FUNDS CARRIED FORWARD		900,749	(3,902,176)	863,222	(2,138,205)	(35,523)

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL

(A company limited by guarantee)

REGISTERED NUMBER: 07926573

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		863,222		847,071
CURRENT ASSETS					
Debtors	15	216,111		132,821	
Cash at bank and in hand		2,074,136		2,227,578	
		<u>2,290,247</u>		<u>2,360,399</u>	
CREDITORS: amounts falling due within one year	16	(744,674)		(789,993)	
NET CURRENT ASSETS			<u>1,545,573</u>		<u>1,570,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,408,795</u>		<u>2,417,477</u>
Defined benefit pension scheme liability	21		(4,547,000)		(2,453,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(2,138,205)</u>		<u>(35,523)</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	644,824		687,904	
Restricted fixed asset funds	17	863,222		847,071	
Restricted income funds excluding pension liability		1,508,046		1,534,975	
Pension reserve		(4,547,000)		(2,453,000)	
Total restricted income funds			(3,038,954)		(918,025)
Unrestricted income funds	17		900,749		882,502
TOTAL DEFICIT			<u>(2,138,205)</u>		<u>(35,523)</u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:



Mr Nick Pavitt
 Chair of Trustees

The notes on pages 40 to 61 form part of these financial statements.

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	19	(83,101)	(12,027)
Cash flows from investing activities:			
Dividends, interest and rents from investments		18,247	2,461
Purchase of tangible fixed assets		(120,730)	(73,861)
Capital grants from DfE/EFA		32,142	32,170
Net cash used in investing activities		(70,341)	(39,230)
Change in cash and cash equivalents in the year		(153,442)	(51,257)
Cash and cash equivalents brought forward		2,227,578	2,278,835
Cash and cash equivalents carried forward	20	2,074,136	2,227,578

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Sigma Trust previously known as Clacton County High School constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented for the individual academy trust.

First time adoption of FRS 102

These financial statements are the first financial statements of The Sigma Trust previously known as Clacton County High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Sigma Trust previously known as Clacton County High School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 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.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.5 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.

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

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

All resources expended are inclusive of irrecoverable VAT.

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.6 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £5,000 per individual item and will include ICT equipment and ancillary items. All other assets 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Tenant's alterations	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33.3% straight line

1.8 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 Bank.

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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.

1.12 Liabilities and provisions

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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE SIGMA TRUST PREVIOUSLY KNOWN AS CLACTON COUNTY HIGH SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 and the assets are held separately from those of the academy.

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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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 EFA and funds relating to the Tendring Primary Partnership from Essex County Council.

For the bursary funds, payments received from EFA 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.

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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1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgement

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

- The school is subject to a PFI (Private Finance Initiative) arrangement for its use of the school premises. The Governors have adopted the accounting treatment as seen in note 24 where this arrangement is recognised as a financial commitment.

1.18 PFI (Private Finance Initiative) premises

The school 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 24.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	-	-	-	9,636
Grants	-	-	32,142	32,142	32,170
	<u>-</u>	<u>-</u>	<u>32,142</u>	<u>32,142</u>	<u>41,806</u>
Total donations and capital grants	-	-	32,142	32,142	41,806

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £41,806 was to restricted funds.

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General annual grant (GAG)	-	8,831,755	8,831,755	8,781,070
Other DfE/YPLA grants	-	724,296	724,296	701,941
Other funding	-	190,780	190,780	265,328
	<u>-</u>	<u>9,746,831</u>	<u>9,746,831</u>	<u>9,748,339</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £9,748,339 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Music and exam fees income	-	1,690	1,690	3,617
Trip income	-	52,149	52,149	44,649
Class sales	-	14,110	14,110	6,432
Other income	-	30,448	30,448	20,398
	<u>-</u>	<u>98,397</u>	<u>98,397</u>	<u>75,096</u>

In 2015, of the total income from other trading activities, £ NIL was to unrestricted funds and £75,096 was to restricted funds.

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5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income - bank interest	18,247	-	18,247	2,461

In 2015, of the total investment income, £2,461 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Teaching and educational support staff costs	57,019	57,019	65,612
Education supplies	271,200	271,200	253,710
Examination fees	159,744	159,744	134,787
Staff development	20,097	20,097	15,500
Educational consultancy	36,566	36,566	68,905
Other direct costs	129,432	129,432	80,067
Recruitment and support	8,119	8,119	11,394
Catering	1,140	1,140	1,006
ICT	65,724	65,724	67,460
Other support costs	11,000	11,000	18,966
Wages and salaries	4,852,729	4,852,729	4,701,949
National insurance	434,721	434,721	369,243
Pension cost	671,901	671,901	564,692
Depreciation	104,579	104,579	109,325
	6,823,971	6,823,971	6,462,616

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7. SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Pension finance cost	94,000	94,000	96,000
Recruitment and support	197	197	122
Maintenance of premises and equipment	1,323,190	1,323,190	1,601,775
Cleaning	13,610	13,610	12,996
Rent and rates	75,007	75,007	84,620
Insurance	34,092	34,092	32,549
Security and transport	12,977	12,977	11,304
Catering	80,369	80,369	81,806
ICT	2,793	2,793	14,421
Utilities	171,581	171,581	200,923
Bank interest and charges	2,262	2,262	648
Other support costs	239,274	239,274	137,322
Governance costs	12,310	12,310	13,445
Wages and salaries	831,449	831,449	763,832
National insurance	58,055	58,055	48,236
Pension cost	280,162	280,162	251,168
	<u>3,231,328</u>	<u>3,231,328</u>	<u>3,351,167</u>

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	5,959,351	13,960	850,660	6,823,971	6,462,616
Support costs	1,169,666	1,594,248	467,414	3,231,328	3,351,167
	<u>7,129,017</u>	<u>1,608,208</u>	<u>1,318,074</u>	<u>10,055,299</u>	<u>9,813,783</u>

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9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	104,579	109,326
Auditor's remuneration - audit	8,000	8,000
Auditor's remuneration - other services	4,295	5,445
Operating lease rentals	9,000	9,000
	<u>125,874</u>	<u>131,771</u>

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10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	5,650,050	5,459,394
Social security costs	492,776	417,480
Operating costs of defined benefit pension schemes	952,063	815,860
	<u>7,094,889</u>	<u>6,692,734</u>
Supply teacher costs	7,726	6,387
Redundancy/termination payments	26,402	-
	<u><u>7,129,017</u></u>	<u><u>6,699,121</u></u>

Redundancy payments relate to contractual payments payable as a result of a decision by the Governors to terminate a staff member's employment before normal retirement age. Costs are charged on an accruals basis to the relevant service line when the Governors are demonstrably committed to the termination of employment of an employee.

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

	2016 No.	2015 No.
Teachers	90	90
Administration and support	113	106
Management	10	10
	<u>213</u>	<u>206</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	90	90
Administration and support	65	60
Management	10	10
	<u>165</u>	<u>160</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	6	6
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1

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In the band £110,000 - £120,000	1	0
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Seven of the above employees participated in the Teacher's Pension Scheme. The other employees participated in the Local Government Pension Scheme.

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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,161,266 (2015: £642,789).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2015 - 3) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£'000	£'000
Mr Jeff Brindle -Executive Principal	Remuneration	110-115	100-105
	Pension contributions paid	15-20	10-15
Justine Holmes - Staff Governor	Remuneration	45-50	40-45
	Pension contributions paid	5-10	5-10
Julie Aldis- Staff Governor	Remuneration	25-30	
	Pension contributions paid	0-5	

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,761 (2015 - £1,761).

13. OTHER FINANCE INCOME/COST

	2016	2015
	£	£
Interest on pension scheme liabilities	(94,000)	(96,000)

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14. TANGIBLE FIXED ASSETS

	Freehold property £	Tenant's alterations £	Fixtures and fittings £	Computer equipment £	Assets under construction £
Cost / valuation					
At 1 September 2015	653,000	44,983	67,180	425,285	25,697
Additions	-	-	67,057	53,673	-
At 31 August 2016	653,000	44,983	134,237	478,958	25,697
Depreciation					
At 1 September 2015	44,622	900	36,847	286,705	-
Charge for the year	13,060	900	28,227	62,392	-
At 31 August 2016	57,682	1,800	65,074	349,097	-
Net book value					
At 31 August 2016	595,318	43,183	69,163	129,861	25,697
At 31 August 2015	608,378	44,083	30,333	138,580	25,697
					Total £
Cost / valuation					
At 1 September 2015					1,216,145
Additions					120,730
At 31 August 2016					1,336,875
Depreciation					
At 1 September 2015					369,074
Charge for the year					104,579
At 31 August 2016					473,653
Net book value					
At 31 August 2016					863,222
At 31 August 2015					847,071

The governors 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.

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15. DEBTORS

	2016 £	2015 £
Other debtors	41,283	27,877
Prepayments and accrued income	174,828	104,944
	<u>216,111</u>	<u>132,821</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	32,930	22,258
Other taxation and social security	145,753	124,373
Other creditors	110,271	94,315
Accruals and deferred income	455,720	549,047
	<u>744,674</u>	<u>789,993</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	187,006	22,091
Resources deferred during the year	163,339	187,006
Amounts released from previous years	(187,006)	(22,091)
Deferred income at 31 August 2016	<u>163,339</u>	<u>187,006</u>

At the balance sheet date the academy trust was holding £163,339 received in advance for overfunding in connection with the PFI Budget Share contribution.

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	882,502	18,247	-	-	-	900,749

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17. STATEMENT OF FUNDS (continued)

Restricted funds

Restricted Funds - all funds	687,904	9,845,228	(9,574,720)	(313,588)	-	644,824
Pension reserve	(2,453,000)	-	(376,000)	225,000	(1,943,000)	(4,547,000)
	<u>(1,765,096)</u>	<u>9,845,228</u>	<u>(9,950,720)</u>	<u>(88,588)</u>	<u>(1,943,000)</u>	<u>(3,902,176)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	847,071	32,142	(104,579)	88,588	-	863,222
Total restricted funds	<u>(918,025)</u>	<u>9,877,370</u>	<u>(10,055,299)</u>	<u>-</u>	<u>(1,943,000)</u>	<u>(3,038,954)</u>
Total of funds	<u><u>(35,523)</u></u>	<u><u>9,895,617</u></u>	<u><u>(10,055,299)</u></u>	<u><u>-</u></u>	<u><u>(1,943,000)</u></u>	<u><u>(2,138,205)</u></u>

During the year £88,588 was transferred from restricted funds to restricted fixed asset funds regarding the amount of GAG used to cover the capital additions not covered by the capital grants.

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

The academy trust received a donation from the previous Clacton County High School of £880,041 on conversion to an academy trust in April 2012, which forms the bulk of its unrestricted reserves. Since academy conversion the Academy has built a modest restricted reserve of £644,824. This amount is considered appropriate given the uncertainty with regards to future funding, pupil numbers and PFI demands. Once a more stable position has been established there are capital projects that the school would consider again if the reserves still remained at this level.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	-	-	847,071
Current assets	900,749	1,285,400	863,223	863,223	-
Creditors due within one year	-	(640,576)	104,097	2,290,246	2,360,398
Provisions for liabilities and charges	-	(4,547,000)	(104,098)	(744,674)	(789,992)
	<u>900,749</u>	<u>(3,902,176)</u>	<u>863,222</u>	<u>(2,138,205)</u>	<u>(35,523)</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(159,682)	53,919
Adjustment for:		
Depreciation charges	104,579	109,326
Dividends, interest and rents from investments	(18,247)	(2,461)
(Increase)/decrease in debtors	(83,290)	144,555
Decrease in creditors	(45,319)	(427,196)
Capital grants from DfE and other capital income	(32,142)	(32,170)
Defined benefit pension scheme cost less contributions payable	56,000	45,000
Defined benefit pension scheme finance cost	95,000	97,000
Net cash used in operating activities	<u>(83,101)</u>	<u>(12,027)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	2,074,136	2,227,578
Total	<u>2,074,136</u>	<u>2,227,578</u>

21. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's 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 County Council. Both are Multi-employer defined benefit pension schemes.

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21. PENSION COMMITMENTS (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £110,271 were payable to the schemes at 31 August 2016 (2015 - £94,315) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%)
- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £671,901 (2015 - £564,692).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has

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21. PENSION COMMITMENTS (continued)

accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £296,000 (2015 - £267,000), of which employer's contributions totalled £225,000 (2015 - £205,000) and employees' contributions totalled £71,000 (2015 - £62,000). The agreed contribution rates for future years are 12.3% for employers and 5.5 - 12.5% 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.

Essex Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %
Inflation assumption (CPI)	2.30 %	2.60 %
Commutation of pensions to lump sums	60.00 %	60.00 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,556,000	1,124,000
Alternative assets and other managed funds	210,000	125,000
Property	251,000	200,000
Gilts	82,000	70,000
Other bonds	102,000	168,000
Cash	69,000	43,000
Total market value of assets	<u>2,270,000</u>	<u>1,730,000</u>

The actual return on scheme assets was £279,000 (2015 - £77,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	As restated 2015 £
Current service cost (net of employee contributions)	(280,162)	(251,168)
Net interest cost	(94,000)	(96,000)
Administration expense	(1,000)	(1,000)
Total	<u>(375,162)</u>	<u>(348,168)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	As restated 2015 £
Opening defined benefit obligation	4,183,866	3,855,698
Current service cost	280,162	251,168
Interest cost	168,000	156,000
Contributions by employees	71,000	62,000
Actuarial losses/(gains)	2,148,000	(99,000)
Benefits paid	(34,000)	(42,000)
Closing defined benefit obligation	<u>6,817,028</u>	<u>4,183,866</u>

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21. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2016 £	<i>As restated</i> 2015 £
Opening fair value of scheme assets	1,730,866	1,428,698
Interest income	74,000	60,000
Actuarial gains and (losses)	205,000	17,000
Contributions by employer	224,162	206,168
Contributions by employees	71,000	62,000
Benefits paid	(34,000)	(42,000)
Administration expenses	(1,000)	(1,000)
	<u>2,270,028</u>	<u>1,730,866</u>
Closing fair value of scheme assets	<u>2,270,028</u>	<u>1,730,866</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	-	9,000
Between 1 and 5 years	-	9,000
	<u>-</u>	<u>18,000</u>
Total	<u>-</u>	<u>18,000</u>

23. 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 £1,244,146 (2015 : £1,219,506).

The Governors' liability from school revenue towards this figure for the year ended 31 August 2016 will be £887,657. This commitment is expected to continue for the life of the PFI agreement which expires in 2035. The annual commitment is dependent on elements outside of the school's control and therefore cannot be accurately disclosed further than the forthcoming year.

24. MEMBERS' LIABILITY

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

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25. RELATED PARTY TRANSACTIONS

The following related party transactions took place in the period of accounts:

Clacton County High School is a member of The North East Essex Education Partnership (NEEEP) together with 5 other academies. NEEEP is a company incorporated in England and Wales limited by guarantee providing support to its member academies.

During the period Clacton County High School was charged £5,944 (2015: £25,610) from the company for educational services provided at cost.

Clacton County High School also received £12,996 (2015: £12,590) from NEEEP during the year in respect of central finance support cross charges and re-imbursements for seconded teachers.

At the year end, the school was due £12,078 (2015 : £Nil) from NEEEP.

During the year, a number of close family members of trustees and key management were remunerated in respect of services they provide undertaking their roles as staff members under their contracts of employment. The individuals concerned are; Mrs E Markham, wife of the Business Manager, employed as a part time HLTA on local government band 4; Mrs J Heighway, wife of an Assistant Principal, employed as a part time PE teacher on the upper pay range and Mr T Holmes, the father of a staff governor, who is employed on a casual basis as an exams invigilator on local government band 1.

In entering into the transactions above, the trust has complied with the requirements of the EFA and the Academies Financial Handbook.

26. POST BALANCE SHEET EVENTS

On 1 September 2016, the school converted to a MAT (Multi Academy Trust) as a partnership of six academies in North East Essex. There was no financial effect on the year ended 31 August 2016.

27. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 busary funds to students as an agent for EFA. In the accounting year ending 31 August 2016 the trust received £46,381 (2015: £56,189) and disbursed this from the fund. An amount of £7,396 (2015: £Nil) is included in accruals and deferred income relating to undistributed funds that is repayable to Essex County Council. Income and expenditure is included in the accounts.

The academy trust distributes Tendring Primary Partnership funds as an agent for Essex County Council. In the accounting year ending 31 August 2016 the trust received £45,424 (2015: £50,000) and disbursed £19,500 (2015: £53,444) from the fund. An amount of £11,380 (2015: £37,303) is included in accruals and deferred income relating to undistributed funds that is repayable to Essex County Council.

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28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.