

Registered number: 07926573 (England and Wales)



(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

THE SIGMA TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Steve McGrath (resigned 14 September 2016)
Lorraine Smith, Vice-Chair (resigned 14 September 2016)
Richard Moodey
Elizabeth Croxon (resigned 14 September 2016)
Jeff Brindle (resigned 14 September 2016)
Nick Pavitt (appointed 14 September 2016)
Brian Palmer (appointed 14 September 2016)
Sara Cullis (appointed 14 September 2016)
Andrew Smith (appointed 14 September 2016)

Trustees

Jeff Brindle, Chief Executive Officer, Accounting Officer¹
Carole Carlsson Browne
Lorraine Laudrum (appointed 14 September 2016)
Adrian Leggett, Chair of Finance from 12/9/17 (appointed 18 May 2017)¹
Steve McGrath, Vice Chair¹
Nick Pavitt, Chair (appointed 14 September 2016)
Bradley Powell (appointed 14 September 2016)¹
Lorraine Smith (resigned 14 September 2016)
Richard Moodey (resigned 14 September 2016)
Elizabeth Croxon (resigned 14 September 2016)
Mel Willsmore (resigned 14 September 2016)
Caroline Barratt (resigned 14 September 2016)
Justine Holmes (resigned 14 September 2016)
Julie Aldis (resigned 14 September 2016)
Neil Gallagher (resigned 14 September 2016)
Crystal Hawkins (nee Wright), Chair of Finance to 12/9/17 (appointed 14 September 2016, resigned 13 September 2017)¹
Andrew Davenall (appointed 14 September 2016, resigned 5 September 2017)¹

¹ Finance and Audit Committee

Company registered number

07926573

Company name

The Sigma Trust

Registered office

Walton Road
Clacton On Sea
Essex
CO15 6DZ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Principal operating office

Tendring Education Centre
Jaywick Lane
Clacton On Sea
Essex
CO16 8BE

Company secretary

Sharon Burns

Chief Executive Officer

Jeff Brindle

Senior management team

Headteachers:

Jonathan Bland, Co-Headteacher, The Stanway School
Helena Boast, Headteacher, Thomas Lord Audley School
Neil Gallagher, Principal, Clacton County High School
Rob Garrett, Headteacher, Harwich and Dovercourt High School
Scott Holder, Co-Headteacher, The Stanway School
Claire Holmes, Headteacher, Monkwick Infant & Nursery School
Zoe King, Executive Headteacher, St Helena School
Rebecca McCutcheon, Headteacher, Monkwick Junior School
Mark Walters, Headteacher, Monkwick Junior School

Officers:

Brian Markham, Chief Operations Officer
Jacqueline Tomkins, Chief Finance Officer

Independent auditors

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

Bankers

Lloyds Bank
27 High Street
Colchester
Essex
CO1 1DU

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

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 BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Sigma Trust is a geographically based partnership of seven academies in North East Essex and is one of the largest MATs in the East of England. Sigma was formally established in September 2016 and currently comprises five secondary schools, a junior school and an infant and nursery school, with over 6,000 pupils on roll, around 900 employees.

In 2016 the MAT's launch constituent schools were:

- Clacton County High School
- Monkwick Infant and Nursery School
- Monkwick Junior School
- The Stanway School
- St Helena School
- Thomas Lord Audley School

A very pleasing development during the year was that the Harwich and Dovercourt High School was permitted to join Sigma in June 2017, though too late for the MAT to impact on its 2017 Summer KS4 outcomes.

The inaugural year of The Sigma Trust has been a blur of activity but also extremely fulfilling and successful. After the Trust's launch in 2016 Members moved quickly to confirm the named Trustees and their terms of reference (TOR), and the Board confirmed key meeting dates, the role and scope of the CEO, the Scheme of Delegation (SoD) and key policies.

Key initial priorities were to:

1. Develop a corporate identity and ensure that the mission, vision and values of The Sigma Trust were shared and embedded within each academy.
2. Ensure that governance in The Sigma Trust is effective at all levels and lines of accountability are fully understood.
3. Develop leadership capacity across The Sigma Trust to enable students to make the best progress possible.
4. Ensure that The Sigma Trust becomes the employer of choice in the area.
5. Ensure effective quality assurance, monitoring and evaluation systems are in place across The Sigma Trust academies.
6. Develop an evolutionary approach to providing wider central services as the Sigma Trust expands.
7. Ensure all Sigma academies are financially secure.
8. Improve levels of attendance across Sigma Academies and also to ensure effective social, emotional & mental health support for children of all ages.

Raise standards across KS4 to achieve positive Progress 8 scores in each "bucket", whilst also ensuring that all Primary schools are above the definition for coasting schools in terms of pupil progress each academic year. Inevitably, Sigma was bound to be on a rapid learning journey in its first year as schools adjusted to working with a CEO under a clear SoD and our CEO developed his role. Similarly, Trustees have had to adapt to their demanding role and work with the CEO to establish the clear reporting mechanisms which would enable them to play their key critical role. Local Governing Bodies (LGBs) and LGB Chairs of Governors (CoGs) have had to come to grips with their delegated powers and key monitoring and reporting role (to the CEO and Trust Board).

Human Resource issues have been high on the agenda for the Trust as Sigma is the new single employer and dealing with personnel related matters is one of the key factors that have led to revisions and updates to the SoD. Ensuring fairness & equality for all employees across every academy is a high priority and complying with Sigma policies and practices has required some academies to change practice.

A key achievement has been the development by the CEO of a high quality risk management audit and reporting process which has been adopted by each Trust Academy and which feeds into the high level exception reports received by the Trust Board. Similarly, highly effective financial recording and reporting procedures have been development – again with a high level of input from the CEO and Chief Operations Manager – that has ensured that the Board has a very high level of confidence and insight into its overall financial position; all schools have been able to set balanced budgets for the 2017-18 financial year. A tool which has enabled schools to see very

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**STATEMENT FROM THE CHAIR OF THE BOARD OF TRUSTEES
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clearly the efficiency with which they are spending money on staffing the curriculum has been the 'Staff Deployment Analyses' instrument developed by the CEO and based on the Outwood Grange Academy Trust. The analysis this tool has provided has given LGBs and Trust Board Members critically important insight into each academy and also allowed each academy to compare its curriculum and deployment model with partner academies. The Trust now also has MAT agreed school self-analysis and improvement plan formats and agreed finance reporting mechanisms which supports Board scrutiny.

Pleasingly, key intervention and support enabled Monkwick Junior School to meet the KS2 Floor Target this year and the 4 launch secondary academies all met or exceeded the KS4 Progress 8 Floor Target. The Harwich and Dovercourt High School Progress 8 score was well below expected and this will be a priority area for Trust intervention and support in 2017-18. Ofsted inspected 2 Sigma Academies during the year: Stanway and Monkwick Infants (MIS). Pleasingly, Stanway retained its well-earned status as 'Good' school. MIS was graded as 'Requires Improvement' – this was a disappointment for MIS'. Sigma moved swiftly to support the school by putting in place an Executive Head and putting in place a new single LGB for MIS and MJS under an independent CoG.

Ensuring effective governance at all levels has been key. Recruitment of well qualified & appropriately experienced Trustees remains a priority as it has recently lost two founding members of the Trust Board. However, local recruitment combined with national recruitment through 'The Academy Ambassadors Programme' will fill these vacancies. Recruiting high quality local governors remains a challenge and the Board will continue to review LGB arrangements during 2017-18. An independent consultant has been recruited to help LGBs carry out skills audits and to support Governor training.

Corporate identity and central capacity to support Sigma Academies has been significantly strengthened during 2016-17. A new logo and branding materials were commissioned and is now in place and staff and parents have received newsletters and updates. A Chief Operations Manager, a Chief Financial Officer and a Trust PA have been appointed and, currently, the Trust is consulting on centralisation of HR and Finance into the central Sigma team and a way ahead has been agreed to support ICT across the Trust. Improved capacity at the centre will enable schools to make savings and to receive a more efficient and effective service. Staff recruitment and deployment across Trust academies has been a real strength during the year as illustrated by the fact that all schools started the 2017-18 academic year fully staffed and that key staff secondments have been put in place:

A short external review of the Sigma Trust Board was carried out by the Regional School's Commissioner's Office in March 2017 with positive feedback received which included the following points:

- Confidence that Tax Payers money is very safe with Sigma in that finance – and the strong moral purpose behind spending plans – is a key strength of the MAT.
- Very positive to the Sigma Risk Register approach and the way it highlights change since previous report – this was considered a strength of the MAT
- Quality of Board Papers is very good – especially the finance papers which are thorough and detailed something they considered were excellent.
- Very positive approach to governance and clear intent to review effectiveness and impact of Trust Board and LGBs.
- Very positive about the outward facing nature of the MAT. The Board is learning from others and using external reference to challenge itself.

Overall, the Trust Board judges that Sigma is well on track to become established as a highly effective MAT and the first choice for schools looking to join a local MAT. We aim to grow in a considered and careful manner over the next 1-3 years by expanding our primary base or opening a new Free School locally.

Nick Pavitt - Chair of Trustees

Date

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 1st September 2016 to 31 August 2017. The Annual Report serves the purpose of both a Trustees' report, and a directors' report under company law.

As at the 31st August 2017, the Trust operates two primary academies - one includes a nursery provision - and five secondary academies. Two of the secondary academies operate 11-18. All academies in the Trust serve a catchment area in the Colchester and Tendring locality. The Trust has a combined net Pupil Capacity of 6470 and had a number on roll of 6163 in the Autumn 2017 census.

The Sigma Trust was established on the 1st September 2016 by a group of local secondary schools who had worked collaboratively since 2012. On the 1st June 2017, the Harwich and Dovercourt High School: a large 11-18 secondary School was welcomed into The Sigma Trust.

The Sigma Trust academies are:

- Clacton County High School - 11-18 provision
- Harwich and Dovercourt High School – 11-18 provision
- St Helena School 11-16 provision
- The Stanway School – 11-16 provision
- The Thomas Lord Audley School – 11-16 provision
- The Monkwick Infant & Nursery School – 2 - 7 provision (including Nursery)
- The Monkwick Junior School 7 - 11 Provision

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

In accordance with commercial practice the Trust 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 £5million and this is held with XL Catlin Insurance Company (UK) Ltd. In the period under review there have been no claims made against this policy.

Method of Recruitment and Appointment or Election of Governors

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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

- Up to eight Trustees (to be elected and confirmed by the Members)
 - Up to two Trustees to be appointed by the Trustees
 - The Chief Executive Officer
 - The Academy Trust may appoint co-opted Trustees under Article 58.
 - A minimum of two Parent Trustees if no Local Governing Boards are established.
- The Sigma Trust has established Local Governing Boards and each LGB has a minimum of two parent Governors.

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

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

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

The Trustees have established Local Governing Boards (LGBs) for its academies which will be directly accountable to the Trustees. Article 100 of the Articles of Association provides for the appointment by the Trustees of committees (including LGBs) to whom the Trustees may delegate certain functions of the Trustees.

The composition of the LGB shall be agreed between the Trust and the Local Governing Board but shall include:

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

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

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

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

Members of LGBs are appointed for a three-year term in the first instance. Thereafter, a member may stand for

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re-selection if there is no disbarring reason.

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

New Trustees' attend an induction meeting with the CEO and Chair of the Trustees to understand the role and expectations to support and challenge the Trust. All Trustees undertake training as appropriate to their work at the Trust and the relevant responsibility of which they may undertake.

The Chair of the Trustees meets termly with LGB Chairs to share best practice, arrange relevant collaborative Trust training sessions and share relevant information and views for both LGBs and Trustees. For the 2017-18 academic year, the Trust has appointed an external advisor to undertake detailed reviews on Trustee and LGB skills and experiences and will report on this to the Trustees in order for more focussed training sessions to be established throughout the year.

Organisational Structure

The Trustees, are responsible for the overall management and control of the Trust and its academies.

The Trustees have established a clear structure to delegate strategic and operational management to the Trust's Chief Executive Officer and day-to-day management of the academies to the Headteachers. The CEO is the Trust Accounting Officer and has overall responsibility for the appropriate use of the Trust's funding. The Headteachers of the Trust academies meet monthly as an Executive Committee. The CEO has responsibility for ensuring the Trust Strategic Improvement Plan is delivered and that the Trust's Plans are embedded within each individual academy Strategic Improvement Plans;

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

1. Leadership & Management
2. Teaching, Learning & Assessment
3. Personal Development, Behaviour and Welfare
4. Outcomes for Pupils
5. Early Years
6. Sixth Form Provision
7. Operational
8. Financial
9. Governance

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

Arrangements for setting pay and remuneration of key management personnel

The Trustees will receive and approve the staffing structures from each LGB annually, which it is believed will enable the Academies to meet the needs and expectations of the Trust's Mission, Vision and Values. The staffing structure is reviewed and monitored to ensure it is financially sustainable on both short and long term forecasts.

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

As identified in the Trust's Pay Policy, the leadership and management team's remuneration is based on the criteria set out in the nationally agreed Pay and Conditions documents and is benchmarked against the nationally

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FOR THE YEAR ENDED 31 AUGUST 2017

agreed leadership pay ranges. The Headteachers pay ranges are based on the established group size for an academy and is determined by the number of students on roll, Key Stage weightings and the number of students identified with special educational needs. These are then reviewed in light of any additional responsibilities undertaken by the Headteachers 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 LGBs in collaboration with the Trust's CEO ensuring that responsibilities are remunerated in a fair and transparent manner and that there are sufficient differentials between each tier of management.

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

An external professional advisor is used within the Performance Management process for all academy Headteachers and CEO.

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

Connected Organisations, including Related Party Relationships

To support the Trust and its academies in achieving their objectives, the Trust and associated academies liaise with organisations such as the Local Authority, Social Services, National College of School Leadership, Coast2Coast and NEETSA as well as many other local educational providers, local schools and higher educational providers.

The Sigma Trust is also the recognised as the legal entity by the NCTL for the North Essex Teacher Training (NETT) ITT scheme and the Trustees have established an LGB to have oversight of the scheme. The CEO leads the NETT 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 imbedded within the Trusts policies and procedures.

The two Trust 16-18 academies also work in partnership with other local 16-18 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 as this could not be offered viably in a single institution.

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

The Academies have operational connections with the two local Teaching School Alliance's (TSA) Coast2Coast and NEETSA, Colchester's ITT provision CTTC, a national teacher recruitment and training scheme 'Teach First' and an alternative education provider, NEEAPS.

The Trust works in collaboration with the Learning Pathways Academy Trust, for the provision of primary school improvement and executive leadership support at the Monkwick Junior School.

STRATEGIC REPORT

Objectives and Activities

Objects and Aims

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The Sigma Trusts main objectives are encompassed in our mission statement, our vision and our values.

Mission

To be "Greater Than the Sum of Its Parts" represents the mission statement for The Sigma Trust. We believe we are stronger and more successful working together than we would be as separate institutions.

The mission for each academy within The Sigma Trust is to ensure that no child is left behind. Education should foster in its learners a curiosity to discover who they are and what they are capable of, together with developing the resilience for them to test the boundaries of their abilities, and build the skills necessary to face the future with confidence.

Vision

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

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

Values

The Sigma Trust values the following attributes:

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

Objectives, Strategies and Activities

Our main objectives and success criteria for this period, were established in our 2016/17 Development plan and were as follows:

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Priority	Action	Success Criteria
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. Seek other opportunities to develop the Sigma brand. Set up a Sigma website including links to each academy and NETT website. 	There is a clear, visible understanding of what it means to be an academy within The Sigma Trust
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. Review make up and carry out a skills audit of each LGB. Ensure Scheme of Delegation fully defines the role of LGB to oversee the experience of pupils, staff and parents. 	Governance across The Sigma Trust is identified as at least Good and frequently Outstanding. Internal evaluation clearly identifies strengths and AFDs for governors.
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. Agree programme for providing support for senior and middle leaders with each TSA. 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 a review of Monkwick Juniors from Lyons Hall to identify strengths and areas for improvement. Draw up action plan and commission support in identified areas of need. 	Leadership across The Sigma Trust is identified as at least Good and frequently Outstanding. Middle leaders identified as "Beacons of Excellence" within the area they lead.
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 one trainee in 2017/18 and a minimum of five in secondary schools. All academies to commission ITT places from NETT or other providers where necessary. Identify areas of strength in each academy where there is capacity to train. Identify mentors who can provide support across academies in other areas. 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. 	All academies fully staffed with well qualified teachers. Staff feedback positive. Retain the best staff in the Trust if not in the academy.

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To ensure effective quality assurance, monitoring and evaluation systems are in place across The Sigma Trust academies.	<ul style="list-style-type: none"> • Agree systems of data collection and quality assurance linked to effective intervention processes building on knowledge and experience already in place. • Agree Sigma wide policy for the number and type of observations carried out in each school. • Agree Sigma wide policies for improving underperforming staff. • CEOs PM to be carried out by Chair of Trust, two Board members and external CEO • Head's PM to be carried out by JBr, two LGB Governors and external consultant. • Agree Triad arrangement involving two Sigma academies and one external school. 	The Board of Directors is fully informed on the strengths and areas for development in each academy and these are externally verified.
To implement expansion plans for the Multi Academy Trust.	<ul style="list-style-type: none"> • Seek to expand by a minimum of two academies in first year. • Develop links with LPAT and Collaborative Academies Trust (CAT) to provide additional capacity for primary schools. • Implement effective succession planning to ensure Sigma has the capacity to support additional schools and continue to thrive. 	The Sigma Trust successfully expands to between 10 and 15 schools.
To develop an evolutionary approach to providing wider central services as the Sigma Trust expands.	<ul style="list-style-type: none"> • Set up initial core team consisting of CEO, Improvement Lead and seconded Directors of Finance, Operations and HR. Company Secretary. • Review the central capacity to ensure all functions of the Trust can be adequately performed • Review all services to consider which could be run more efficiently from the centre and review the impact of such changes. 	Central services created to fully support all academies within The Sigma Trust leading to efficiency savings.
To ensure all Sigma academies are financially secure.	<ul style="list-style-type: none"> • Review 2016/17 budgets for each academy and planned in year surplus/deficit. • Analyse budgets against each Sigma academy and external schools where possible. • Analyse average contact ratios in all academies 	All academies are able to operate with a small in year surplus.
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. 	Attendance for all groups of students is at least in line with national average.
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. 	More effective support for students with ESB leading to a reduction in referrals and exclusions.

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To work with NEEAPS and others to ensure that increased support is provided for vulnerable students.	<ul style="list-style-type: none"> Roll out "Grow" and "STOP" provision across all academies to minimise fixed term exclusions. Agree a Sigma wide policy of eliminating PEX and significantly reducing FTE by making use of alternative provision. 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 the strategy for use of Stanway Learning Centre is fully understood and the financial model is secure. 	No permanent exclusions and reduction in FTE across all academies.
Teaching & Learning		
To establish a cross Trust programme for moving the quality of teaching forward for all staff.	<ul style="list-style-type: none"> Agree model for recording the quality of teaching by colleagues in each academy. Introduce a programme of cross-academy joint observations, linked to performance management, to ensure greater consistency. Draw up lesson observation schedule within new Teaching and Learning Hub. Work with TSAs to develop a programme of CPD to promote higher proportion of outstanding teaching. 	90% of teachers judged to be Good or better across Sigma academies. 30% of teachers judged to be Outstanding.
To ensure teachers' assessments are based on robust and objective models.	<ul style="list-style-type: none"> Ensure all academies implement full mocks in English and Maths. Develop ALPS model as means of moderating outcomes at each assessment point. Analyse methods of assessment and intervention used at KS2 with colleagues from Lyons Hall. 	Increased accuracy in the prediction of final outcomes.
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"> Compare outcomes against predictions and national averages. Identify areas for improvement. Create improvement plan for each group of subjects/students that have a negative Progress 8 score. 	All secondary academies to have positive Progress 8 scores in each "bucket".
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. Identify areas for improvement and work with Lyons Hall to draw up improvement plan. 	All schools to be above "coasting" criteria annually.
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. 	Common exam specifications agreed across all Ebacc subjects leading to effective support, moderation and joint mock exams.

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Public Benefit

The Sigma Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. All academies in the Trust serve a catchment area in the Colchester and Tendring locality.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. Short-term and longer-term aims are described in detail in Plans for Future Periods below.

Achievements and Performance

- Strong results at The Stanway School and Clacton County High School
- Retention of Ofsted 'Good' judgement at The Stanway School
- Sharing outstanding attendance practices in The St Helena School and appointment of Attendance Solutions across all academies
- Creation and implementation of Trust Risk Management Policy
- Establishment of core appointments to central roles within the Trust central service
- Set-up of central offices, conference facilities and operational functions
- Financial improvements at The Thomas Lord Audley School and The St Helena School
- Appointment of Headteacher and leadership team at the Monkwick Junior School
- Establishment of robust Governance documents and strong Scheme of Delegation (SoD)
- Re-brokerage of Harwich and Dovercourt High School and creation of new leadership team and key posts
- Implementation of secondment programme for additional capacity within specific schools
- Creation of Strategic Team ready for 2017-18 academic year
- Significant investment in the ICT infrastructure at St Helena School
- Creation of new joint LGB at both Monkwick schools.
- Monkwick Junior School moving above floor standards
- Successful expansion of Stanway School
- Achievement of the national SEN award for The Stanway School
- Expansion of NETT to include Primary teacher training route.

Key Performance Indicators

The Sigma Trust is committed to observing the importance of performance indicators and to ensure that it continues to strive for both educational and financial excellence. Due to this being the first year the Trust has operated as a multi academy trust, the KPIs are presented without redress of any previous years' trends.
Summary Self Evaluation 2017/18 - Primary Academies

	National Average	Monkwick Junior School	Monkwick Infant & Nursery School
Joined Sigma		Sep-16	Sep-16
Type		Re-brokered	Converter
Age Range		7-11	2-11
Ofsted grade		Inadequate (Predecessor)	Requires Improvement
Date of inspection		Jun-13	Jan-17

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	National Average		Monkwick Junior School				Monkwick Infant & Nursery School			
Attendance	2016		2016		2017		2016		2017	
Average attendance	96.1%		95.8%		96.0%		94.5%		95.2%	
Persistent Absence	8.8%		8.4%		10.6%		12.8%		12.7%	
KS2 outcomes	2016		2016		2017		2016		2017	
Progress			All	Disadvantaged	All	Disadvantaged				
Reading			-5.18	-5.71	-3.60	-4.60				
Writing			2.20	1.55	-5.50	-6.30				
Maths			-1.82	-2.43	-1.80	-2.10				
Attainment	Exp.	High	Expected	High	Expected	High				
Combined	53%	5%	30%	2%	34.1%	2.3%				
Reading	66%	19%	40%	2%	45.5%	13.6%				
Writing	74%	15%	72%	26%	50.0%	5.0%				
Maths	70%	17%	52%	6%	61.0%	16.0%				
GPS	72%	22%	52%	4%	66.0%	18.2%				
KS1 outcomes	2016		2016		2017		2016		2017	
Attainment	All						All	Disadvantaged	All	Disadvantaged
Reading	74%						77%	71%	74%	66%
Writing	65%						66%	61%	62%	45%
Maths	73%						66%	64%	74%	63%
Phonics										
Year 1	81%						55%	35%	65%	50%
Year 2	91%						88%	85%	78%	63%
Floor target met?			No		Yes		n/a		n/a	
Coasting target met?			No		No		n/a		n/a	

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Summary Self Evaluation 2017/18 - Secondary Academies

	National Average	Clacton County High School		Harwich & Dovercourt High School		St Helena School		The Stanway School		Thomas Lord Audley School	
Joined Sigma		Sep-16		Jun-17		Sep-16		Sep-16		Sep-16	
Type		Converter		Re-brokered		Converter		Converter		Converter	
Age Range		11-18		11-18		11-16		11-16		11-16	
Ofsted grade		Good		Good (Predecessor)		Good		Good		Good	
Date of inspection		Mar-13		Jul-16		Jun-14		Mar-17		Apr-16	
Attendance	2016	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Average attendance	95.0	94.8%	94.8%	95.1%		95.4%	95.6%	96.2%	95.7%	94.3%	93.8%
Persistent Absence	12.3	14.3%	13.9%	12.6%		8.1%	7.2%	8.6%	8.1%	14.4%	19.5%
KS2 prior attainment	2016	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Ave. Pts. Score	28.5	26.0	26.2	27.4	27.8	27.1	27.8	27.8	28.5	25.8	27.0
	National Average	Clacton County High School		Harwich & Dovercourt High School		St Helena School		The Stanway School		Thomas Lord Audley School	
KS4 outcomes	2016	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Progress 8 – All		0.71	0.48	-0.53	-0.67	0.01	-0.11	0.25	0.21	0.06	-0.19
Attainment 8 - All	49.34	52.54	44.76	44.49	38.22	48.96	42.63	53.71	48.68	45.81	40.51
EBacc C/4+	24%	14%	6%	9%	9%	19%	12%	14%	20%	10%	13%
EN & MA C/4+	62%	61%	50%	49%	48%	47%	54%	69%	69%	60%	59%
EN & MA 5+			31%		27%		34%		47%		36%
Floor target met?		Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Coasting target met?		Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes

Financial Key Performance Indicators

Total income per pupil	£6,026
GAG/grant income per pupil	£4,864
Staff costs as % total income	80.59%

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Staff costs as % GAG/grant income	85.48%
Staff costs as % total expenses	72.44%
Teaching staff costs as % total staff costs	75.91%
Cash as % total income	21.89%
Current assets to current liabilities ratio	3.72

KPI's are for current year only as this is the first year of the multi academy trust.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust and its affiliated schools have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Financial Review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The balance sheet includes a liability of £19,265,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see note for further details).

The MAT commenced on 1 September 2016 with combined restricted reserves of £2,029,566 and combined unrestricted reserves of £2,834,421.

The Trustees agreed to accept the budgets adopted by the Governing Bodies of the individual academies prior to conversion for year one of the Trusts operations. This approach meant a consolidated in-year deficit of £759,354, through detailed review and challenge of these budgets by the Trustees and Executive Committee the Trust reduced this position significantly with the KPIs reflecting this and any approved use of reserves for the year.

The Harwich and Dovercourt High School was re-brokered into the Trust on the 1st June 2017 and, due to this transfer the Trusts reserves were increased by £828,823 on the 1st June 2017.

Due to the formation of the Trust, all Trust accounting policies have been reviewed to align with Multi academy Trust accounting principles, and these policies have been consulted and implemented along with revised levels of financial authorisation.

Following a successful bid to the office of the Regional Schools Commissioner, the Trust received a £60,000 Growth Fund Bid, and part of this bid has allowed the Trust to purchase a Financial Management System for the Trust to ensure consistent financial processes and coding is implemented within the Trust for 2017-18 financial year and beyond.

For the 2016-17 financial year the Trustees have obtained a complete estate Asset Management Plan survey, Mechanical and Engineering Survey and a Roof condition survey. These surveys have been consolidated to identify future property condition issues and afford the Trustees the opportunity to identify future spending liabilities to ensure the sound condition of the Trusts property portfolio.

In April 2017 the Trust received its notification of School Condition Allocation; a fund provided to MATs who meet certain criteria in replacement of the Condition Improvement Fund. This allocation to the Trust was £1,245,049.

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The Trustees have identified significant roofing issues at three sites requiring the majority of these funds. In addition to the Trusts SCA funding, The Harwich and Dovercourt High School were successful in receiving a CIF bid prior to joining the Trust and they are in the process of a roofing and window improvement project to the value of £1,046,921.

Reserves Policy

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

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

- Potential reduction in income due to fluctuation and variance in student numbers in the locality.
- Reduction in Nursery placement uptake in the Monkwick Infant School
- Lower student transition in the two post 16 schools from 11-16 to 16-18 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 at Clacton County High School.
- Significant condition issues within the Trusts estate
- Educational or safeguarding concerns within one or more of the Trusts academies

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £3,446,997. The restricted reserves comprise the restricted fixed asset reserve of £50,438,024 which can only be realised by the disposal of tangible fixed assets, and other restricted reserves of £2,096,018.

The Trustees are working on strategic plans for the following investment projects across the Trust:

- Property refurbishment across the Trust's estate, mainly, Monkwick Juniors, Thomas Lord Audley and St Helena School
- Proposed 3 FE expansion at Clacton County High School, which is proposed for 2019-20.
- Proposed sale of 'The Grange' property at Harwich and Dovercourt High School.
- ICT investment at Monkwick Infant and Junior School's.
- Upgrade of student washroom facilities at St Helena School.
- Remodelling/re-construction of dining and kitchen facilities at The Stanway School.
- Additional over staffing capacity within the Trust

The balance sheet includes a liability of £19,265,000 in relation to the Trust's FRS 102 disclosure of the Local Government Pension Scheme (see pensions note for further details).

Investment Policy

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

The Trust uses current accounts with a bank approved by the Trustees on conversion to The Sigma 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 relevant 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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Principal Risks and Uncertainties

The Sigma Trust's risk management processes aim to minimise the perceived risk to the Trust. The main current risk of any materiality relates to the deficit the Trust holds in the Local Government Pension Scheme. Monthly payments to reduce this deficit have been paid throughout the period. Due to the current volatility of the Bonds Market, it is likely that this deficit will continue to increase despite the payments having been made.

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

- Planning for substantial increase in school rolls and the impact this will have on student management and capacity of the sites' infrastructure.
- Maintaining standards of education and examination and key stage outcomes.
- Complying with legislative requirements regarding employment law, GDPR, discrimination, Companies House and HRMC, child protection, the Charity Commission.
- Significant changes to the Trusts annual funding allocation due to the move to a national funding formula.
- Future pay award recommendations from both the Local Governments and Teacher's pay review bodies.
- Future changes to unitary payment for Clacton County High Schools PFI project, or significant increases in the benchmarking process.
- Recruitment and retention.
- Continued increase in the Local Government Pension Scheme Liability.

The key controls used by the Trust include:

- Detailed terms of reference for all Local Governing Boards.
- Formal agendas for the board and committees.
- Schemes of Delegation and formal financial regulations.
- Formal written policies.
- Clear authorisation and approval levels.
- Policies and procedures required by law to protect the vulnerable.
- High quality appointments to all posts within the Trust.

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

Plans for Future Periods

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

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SIP Code	Strategic Intent	Core Objectives	Success Criteria
Leadership & Management			
1.1	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"> • New brand identity created professionally and upgrade all literature as a result • Update websites, communication and signage in all academies to promote Sigma and its mission, vision and values. 	Sigma has a professional and well recognised brand that is evident in all academies. The mission, vision and values of The Sigma Trust are clearly displayed and communicated in all schools.
1.2	To ensure that the curriculum models operating in all secondary schools maximise Progress 8 outcomes, whilst maintaining a broad and balanced offer for all students.	<ul style="list-style-type: none"> • Review curriculum models and specifications adopted in light of Progress 8 outcomes • Ensure there is greater parity of curriculum time in all academies • Review option choices to maximise outcomes in both EBacc and "open bucket" subjects • Agree common specifications for all EBacc subjects 	All academies achieve Progress 8 outcomes that are above average within each "bucket" and for all groups of students.
1.3	To ensure that the curriculum offer in primary schools is sufficiently rich to fully cover each of the Foundation subjects, whilst raising achievement in literacy and numeracy.	<ul style="list-style-type: none"> • Ensure there is clarity in schemes of work and the programmes of study and its implementation is carefully monitored. 	All Foundation subjects are fully covered and pupils progress is monitored effectively.
1.4	To implement agreed performance management policy and ensure that consistent standards are being applied in relation to the quality of teaching in all academies.	<ul style="list-style-type: none"> • Implement agreed Performance Management policy ensuring that consistent standards are applied to all staff. • Implement consistent policies in tackling underperformance. 	Performance Management policy consistently implemented in all academies and linked to targeted CPD.
1.5	To ensure consistent safeguarding procedures are in place across all academies.	<ul style="list-style-type: none"> • Commission a full safeguarding review and fully implement any recommendations 	Safeguarding is judged to be fully effective across all academies.
1.6	To implement a structure of internal reviews based on identified areas for improvement and Ofsted cycle.	<ul style="list-style-type: none"> • Appoint an external consultant to work with Strategic Leads and other senior colleagues to carry out internal reviews. • Carry out pre-Ofsted reviews at CCHS and St Helena to judge readiness for inspection. • Carry out review of MFL at Stanway, open bucket subjects at TLA and higher attaining pupils at HDHS and implement action plans. • Carry out a post-Ofsted review at MJS and MIS to see impact of action plans. 	Trustees and LGB members have a clear understanding of the areas for improvement and the action to be implemented.

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Teaching, Learning & Assessment			
2.1	To develop a trust-wide approach to improving literacy and numeracy across the curriculum at all key stages.	<ul style="list-style-type: none"> • Agree and implement a consistent numeracy policy for all schools. 	Literacy and numeracy has a high profile in all academies leading to improved outcomes.
2.2	To ensure teachers' assessments are based on robust and objective models.	<ul style="list-style-type: none"> • Ensure the agreed Data Protocol is effective in predicting outcomes for individuals, identified groups and the whole cohort. • Agree and implement a consistent approach to interventions targeting underachievement at all key stages. 	Assessment outcomes are accurate in predicting summative performance and in identifying pupils who require intervention.
2.3	To review the quality of teaching in KS1 in relation to phonics and writing.	<ul style="list-style-type: none"> • Work with LPAT to review Year 1 teaching in relation to the teaching of phonics and writing. • Develop transition work between KS1 & 2. 	Phonics outcomes at end of Year 1 match national outcomes.
Personal Development, Behaviour & Welfare			
3.1	To continue to drive up levels of attendance and reduce persistent absence.	<ul style="list-style-type: none"> • Appoint Attendance Solutions to work across all schools within The Sigma Trust • Ensure best practice becomes shared practice in relation to tackling poor attendance. 	Attendance rates and levels of persistent absence are at or above national average for all groups of pupils.
3.2	To continue to reduce fixed term exclusions and avoid permanent exclusions.	<ul style="list-style-type: none"> • Develop a GROW centre at Monkwick Junior school. • Work with NEECA (NEEAPS) to ensure an effective STOP programme exists for both Tendring and Colchester. 	No permanent exclusions and fixed term exclusions well below national average linked to improved behaviour in all schools.
Outcomes for Pupils			
4.1	To raise levels of progress in all schools for all groups of pupils, particularly those from disadvantaged backgrounds.	<ul style="list-style-type: none"> • Review progress outcomes for all academies for different groups of pupils. • Identify intervention and long-term strategies for improvement. 	Progress measures at all key stages are above national average in each school for all groups of pupils.
4.2	To continue to raise attainment in English and Maths at all key stages.	<ul style="list-style-type: none"> • Review attainment outcomes for all academies for different groups of pupils. • Identify intervention and long-term strategies for improvement. 	English and Maths attainment is at least in line with national average measures.
Operational			
7.1	To ensure that leadership is effective and with sufficient capacity to drive forward improvements in all academies and within the central team.	<ul style="list-style-type: none"> • Introduce the role of Chief Finance Officer to ensure greater rigour in overseeing the Trust's finances. • Review the current structures for Finance and HR to create a more central role ensuring consistency across all schools. • Review leadership capacity in all academies and at the centre to ensure effective succession planning is in place. 	The Sigma Trust has the capacity to support existing schools and possible further expansion and leadership is strong in all academies.
7.2	To develop a wide range of CPD and secondment opportunities for all staff within the Trust.	<ul style="list-style-type: none"> • Introduce Apprenticeship Levy training for identified groups of non-teaching staff. • Identify a career profile for all staff linked to targeted CPD. • Develop closer ties to Coast2Coast TSA to support the CPD needs of Sigma. 	All staff have a clear career profile linked to appropriate CPD.

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7.3	To maximise recruitment on to initial teacher training programmes in order to provide all schools with a strong pool of NQTs.	<ul style="list-style-type: none"> • NETT is able to recruit sufficient trainees to meet the needs of partner schools and the viability of the programme. • Oversee the expansion to include primary. • NETT is supported by all Sigma academies. • Teachfirst to provide additional capacity for eligible schools. 	NETT has high levels of recruitment and is the provider of choice. All academies are able to recruit high quality NQTs.
7.4	To ensure that ICT provision, in terms of hardware and support, is effective in all schools and managed centrally.	<ul style="list-style-type: none"> • Create Network Managers team aimed at ensuring that all academies have effective support. • Draw up a five year plan for ICT hardware replacement linked to joint procurement. • Ensure all academies use the same MIS. 	All academies have a strong ICT infrastructure that meets the educational and administrative needs.
7.5	To ensure that Sigma has the capacity required for its existing academies whilst seeking opportunities to expand to support additional schools, particularly in the primary sector.	<ul style="list-style-type: none"> • Seek to expand the number of primary schools within Sigma to give a more even balance. • Ensure due diligence is carried out prior to any expansion to determine that sufficient capacity is in place. 	Sigma is able to eventually expand to between 10 and 15 academies to provide optimum revenue for the Trust.
7.6	To ensure that the buildings are maintained to high level to provide a high quality learning environment for all pupils.	<ul style="list-style-type: none"> • Ensure that the School Condition Allocation (SCA) is distributed according to identified need linked to the completed building condition survey. • Maximise the income from the sale of The Grange to enhance the provision at Harwich and Dovercourt High School. • Ensure that the building work at Stanway and MJS is completed to a high standard. • Ensure that the planned expansion of CCHS is cost effective and doesn't impact on the quality of education. 	Significant improvements made to the condition of the buildings across the Trust meeting the local demand for places.
7.7	To ensure that consistent and fully compliant Health and Safety procedures are in place across all academies.	<ul style="list-style-type: none"> • Complete a full and robust health and safety review and ensure consistent and audited reporting. 	Consistent Health and Safety procedures fully in place across the Trust and externally verified.
Financial			
8.1	To ensure that all schools maintain financial viability by delivering in year balanced budgets and manage reserves in line with the Trust's Reserves policy.	<ul style="list-style-type: none"> • All academies are able to deliver balanced budgets within agreed timescales. • All academies are able to retain the level of reserves highlighted in the Reserves Policy. 	All academies are able to deliver in year balanced budgets and have planned use of their "capital" reserves.
8.2	To ensure all capital works come in within budget and to a high specification.	<ul style="list-style-type: none"> • Earmark any available capital reserves to enhancing the estate as identified via the AMPs. 	All capital projects are achieved within budget excluding any agreed enhancements.
8.3	To ensure the new financial MIS is adopted across all academies, with consistent processing, Ledger code structures and procedures in place within all the financial teams.	<ul style="list-style-type: none"> • Robust, timely and accurate consolidated management accounts are provided to Trustees and the Executive Committee. • Benchmarking data is used to identify areas for financial prudence and demonstrate VFM. 	Effective and consistent financial practices is identified as strong throughout the Responsible Officer inspection and monthly financial management and benchmarking data is used to identify savings and VFM.

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8.4	To identify and implement a trust-wide structure to medium and long term budget planning.	<ul style="list-style-type: none"> All academies are able to submit 3-5 year budget plans with 'best case' and 'worst case' scenarios including implications of the National Funding Formula. 	Identified budget structure is in place with medium and long term financial models available for review by Trustees and the Executive Committee.
Governance			
9.1	To ensure that all LGBs have validated monitoring processes in place to measure school effectiveness.	<ul style="list-style-type: none"> Set up clear levels of expectation for all LGBs relating to the monitoring of school performance and effectiveness. 	LGBs are able to demonstrate a clear understanding of school effectiveness through a robust self-evaluation process.
9.2	To create a Sigma wide approach to governance training and induction that ensures all LGBs have the required skills and expertise.	<ul style="list-style-type: none"> Create a clear induction process for all new LGB members. Complete a skills audit for all LGB members and identify training needs. Implement an annual training programme across Sigma using internal and external support. 	LGB members have a greater understanding of their roles and responsibilities and are fully supported in their role.
9.3	To strengthen governance at Trustee and LGB level.	<ul style="list-style-type: none"> Ensure the Trust has appropriate levels of expertise able to provide effective support and challenge to each academy and the central team. 	The Board of Trustees and each LGB has governors with the relevant levels of skills and expertise and with effective succession planning.

Employee Involvement

Where appropriate The Sigma Trust consults on matters such as policy, Pay, Health, Safety and Welfare with the relevant support and teaching staff trade unions and staff body representatives. The Trust generally provides information to employees by way of email and intranet.

There are appropriate communication forums within the Trusts organisational structures to ensure the appropriate communications take place between the Trustees and the LGBs. The Headteachers of all the Trusts academies meet monthly with the central team to ensure all strategic and operational activities are communicated appropriately.

Equal Opportunities and Disabled persons

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

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

Funds held as Custodian Trustee on behalf of others

None

Auditor


Insofar as the trustees are aware:

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- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The trustees have taken all steps that they ought to have undertaken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on **6/12/17** and signed on its behalf by:


.....
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 has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 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
Nick Pavitt (Chair)	5	5
Steve McGrath (Vice Chair from 12/9/17)	4	5
Andrew Davenall (Vice-Chair to 12/9/17)	4	5
Jeff Brindle (Chief Executive Officer and Accounting Officer)	5	5
Crystal Hawkins (Chair of Finance)	5	5
Carole Carlsson Browne	5	5
Lorraine Laudrum	4	5
Bradley Powell	5	5

As declared in the previous Trustees report, on the 14th September 2016 many of the Clacton County High School trustees resigned as part of the transfer to a multi academy trust. The newly appointed trustees have worked tirelessly to establish a robust, effective and transparent Board of Trustees with the appropriate skills to lead on the establishment of the new company. In addition to reviewing the outcomes of the academies exam results from the summer 2016 and establishing an action plan to support improvements within the Trust, it has also spent significant time in the creation of the necessary governance and operational procedures and policies for a large multi academy trust.

The Trustees have continually monitored and amended the Scheme of Delegation to ensure robust governance and clear line of delegated responsibilities are established between the Board of Trustees and the Local Governing Boards.

The Trustees undertook due diligence and implemented support structures for immediate implementation at the Harwich and Dovercourt High School, who joined the Trust on the 1st June 2017.

For the Financial year 2016-17 the Board has created one sub-committee of Trustees - the Finance and Audit Committee - and as at the 31st August 2017 has established six Local Governing boards, these are;

- Clacton County High School LGB
- St Helena School LGB
- Combined LGB for The Stanway School and Thomas Lord Audley School
- Combined LGB for Monkwick Infant & Nursery School and Monkwick Juniors School
- Harwich & Dovercourt High School (from 1st June 2017)
- North Essex Teacher Training (NETT)

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GOVERNANCE STATEMENT (continued)

Following Ofsted Visits in the autumn term 2016 to the two Monkwick Schools and subsequent dialogue between the Trustees and LGBs, the Board of Trustees took the decision to disband the two LGBs and create a joint LGB of both Monkwick Schools from April 2017.

Following the September 2017 meeting of the Trustees, the Finance and Audit Committee has now been split into two separate committees for the 2017-18 financial year, these are now,

- Finance Committee
- Audit and Risk Committee

Attendance at meetings of the Finance and Audit Committee in the 2016-17 year was as follows:

Trustee	Meetings attended	Out of a possible
Crystal Hawkins (nee Wright) (Chair)	4	4
Andrew Davenall	4	4
Bradley Powell	3	4
Steve McGrath (Vice-Chair)	3	4
Jeff Brindle (CEO and Accounting Officer)	4	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer; 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:

- Introducing the Trusts School Deployment Analysis pro-forma into all Sigma Secondary Schools to reduce staffing costs by in excess of £500,000 across the Trust.
- Implementing full estate condition surveys to ensure the quality of the Trusts buildings condition is focussed in all financial planning.
- Ensuring a full team of subject specialist teachers are identified to support across the Trust for 2017-18 to drive up attainment in all schools within the Trust
- Leading the ITT scheme, NETT, to expand into primary teacher training and recruiting over 70 trainees to address the staffing shortages in the local area in both Primary and secondary phase;

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, so as to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sigma Trust for the year 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the

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GOVERNANCE STATEMENT (continued)

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 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Griffin Chapman, the external auditors, to perform additional checks.

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

- Review of Trusts new Governance and compliance structures,
- Review of Trusts Risk Register, including Insurance covers,
- Academies Finance teams compliance with the Trusts new Financial Regulations,
- Review of monthly financial Management checks and intra-company transfers and recharges
- Sample reviews of Income streams, including EFA revenue, Trip, Lettings and Catering income,
- Sample testing on purchases and procurement procedures
- Sample testing on employee payroll & personnel files
- Review of Monthly payroll variances and authorisation processes
- Review of bank reconciliations, cash flow, and petty cash limits,
- Review of Trusts VAT registration status and sample testing of one month's VAT re-claim

All issues raised in the Financial Year 15-16 prior to the formation of The Sigma Trust have been collated and procedures reviewed to ensure consistency across the newly formed Trust.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development

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GOVERNANCE STATEMENT (continued)

and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on their behalf, by:


.....
Nick Pavitt
Chair of Trustees


.....
Jeff Brindle
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Sigma Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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



.....
Jeff Brindle
Accounting Officer

6 December 2017

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of The Sigma Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 6/12/17 and signed on its behalf by:

.....
Mr Nick Pavitt
Chair of Trustees

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

OPINION

We have audited the financial statements of The Sigma Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included

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

in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



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: 12 December 2017

THE SIGMA TRUST
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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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sigma Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Sigma Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sigma Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sigma Trust and the ESFA, 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's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken comprised:

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


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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 (continued)

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 2016 to 31 August 2017 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

Griffin Chapman

Chartered Accountants

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

Date: 12 December 2017

THE SIGMA TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer in of existing academies	2	2,525,851	(13,559,714)	46,411,825	35,377,962	-
Other donations and capital grants	2	6,146	-	5,244,455	5,250,601	32,142
Charitable activities:	3					
Funding for academy's educational operations		-	29,106,954	-	29,106,954	9,746,831
Other charitable activities		-	333,536	-	333,536	-
Other trading activities	4	560,052	1,216,438	-	1,776,490	98,397
Investments	5	9,761	60	-	9,821	18,247
TOTAL INCOME		3,101,810	17,097,274	51,656,280	71,855,364	9,895,617
EXPENDITURE ON:						
Charitable activities		16,842	32,424,720	2,298,558	34,740,120	10,055,299
TOTAL EXPENDITURE	6	16,842	32,424,720	2,298,558	34,740,120	10,055,299
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		3,084,968	(15,327,446)	49,357,722	37,115,244	(159,682)
Transfers between Funds	19	(538,720)	321,640	217,080	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		2,546,248	(15,005,806)	49,574,802	37,115,244	(159,682)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,739,000	-	1,739,000	(1,943,000)
NET MOVEMENT IN FUNDS		2,546,248	(13,266,806)	49,574,802	38,854,244	(2,102,682)
RECONCILIATION OF FUNDS:						
Total funds brought forward		900,749	(3,902,176)	863,222	(2,138,205)	(35,523)
TOTAL FUNDS CARRIED FORWARD		3,446,997	(17,168,982)	50,438,024	36,716,039	(2,138,205)

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REGISTERED NUMBER: 07926573

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		48,931,541		863,222
CURRENT ASSETS					
Stocks	16	22,492		-	
Debtors	17	1,633,578		216,111	
Cash at bank and in hand		7,985,468		2,074,136	
			<u>9,641,538</u>	<u>2,290,247</u>	
CREDITORS: amounts falling due within one year	18	(2,592,040)		(744,674)	
NET CURRENT ASSETS			<u>7,049,498</u>		<u>1,545,573</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>55,981,039</u>		<u>2,408,795</u>
Defined benefit pension scheme liability	24		(19,265,000)		(4,547,000)
NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITIES			<u><u>36,716,039</u></u>		<u><u>(2,138,205)</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	2,096,018		644,824	
Restricted fixed asset funds	19	50,438,024		863,222	
			<u>52,534,042</u>	<u>1,508,046</u>	
Restricted income funds excluding pension liability					
Pension reserve		(19,265,000)		(4,547,000)	
			<u>33,269,042</u>		<u>(3,038,954)</u>
Total restricted income funds					
Unrestricted income funds	19		3,446,997		900,749
TOTAL FUNDS/(DEFICIT)			<u><u>36,716,039</u></u>		<u><u>(2,138,205)</u></u>

The financial statements on pages 36 to 68 were approved by the Trustees, and authorised for issue, on 6/12/17 and are signed on their behalf, by:

.....

Nick Pavitt
Chair of Trustees

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>5,370,977</u>	<u>(83,101)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		9,821	18,247
Purchase of tangible fixed assets		(4,713,921)	(120,730)
Capital grants from DfE/ESFA		<u>5,244,455</u>	<u>32,142</u>
Net cash provided by/(used in) investing activities		<u>540,355</u>	<u>(70,341)</u>
Change in cash and cash equivalents in the year		5,911,332	(153,442)
Cash and cash equivalents brought forward		<u>2,074,136</u>	<u>2,227,578</u>
Cash and cash equivalents carried forward	22	<u><u>7,985,468</u></u>	<u><u>2,074,136</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Sigma Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.3 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 receipt is probable 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.

Certain types of income are shown in the Statement of financial activities incorporating income and expenditure account net of expenditure as follows:

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £10,000 (primary schools £5,000) are capitalised 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 Stocks

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 Agency arrangements

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

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

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

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

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

1.16 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

1.18 PFI (Private Finance Initiative) premises

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

Payments are made during the life of the contract and are charged to revenue as payable.

PFI credits are treated as general revenue.

The PFI arrangement is recognised in other financial commitments at note 26.

1.19 Redundancy costs

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.20 Transfer in of existing academy

The assets and liabilities transferred on academies joining The Sigma Trust have been valued at their fair value. This has been derived from their carrying value in each individual academy's financial statements at cessation. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount in Donations in the Statement of Financial Activities, and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details are in note 29. The transfer has been recognised by The Sigma Trust on the same date as the transfer is recognised in the financial statements of the individual academy.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer of existing academies into the trust	2,525,851	(13,559,714)	46,411,825	35,377,962	-
Donations	6,146	-	-	6,146	-
Capital Grants	-	-	5,244,455	5,244,455	32,142
Subtotal	6,146	-	5,244,455	5,250,601	32,142
	2,531,997	(13,559,714)	51,656,280	40,628,563	32,142
Total 2016	-	-	32,142	32,142	

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**NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	26,886,035	26,886,035	8,831,755
Other Dfe/ESFA grants	-	1,704,179	1,704,179	724,296
	-	28,590,214	28,590,214	9,556,051
Other government grants				
Local authority and other funding	-	850,276	850,276	190,780
	-	850,276	850,276	190,780
Other funding				
	-	-	-	-
	-	29,440,490	29,440,490	9,746,831
Total 2016	-	9,746,831	9,746,831	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	403,224	-	403,224	-
Music services income	-	26,956	26,956	1,690
Trip income	-	426,211	426,211	52,149
Catering income	-	541,044	541,044	14,110
Staff services consultancy	83,094	-	83,094	-
Other income	73,734	222,227	295,961	30,448
	560,052	1,216,438	1,776,490	98,397
Total 2016	96,707	1,690	98,397	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income - bank interest	9,761	60	9,821	18,247
<i>Total 2016</i>	<i>18,247</i>	<i>-</i>	<i>18,247</i>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	19,104,628	1,004,939	3,813,978	23,923,545	6,823,971
Support costs	6,061,880	2,583,773	2,170,922	10,816,575	3,231,328
	<u>25,166,508</u>	<u>3,588,712</u>	<u>5,984,900</u>	<u>34,740,120</u>	<u>10,055,299</u>
<i>Total 2016</i>	<i>7,129,017</i>	<i>1,608,208</i>	<i>1,318,074</i>	<i>10,055,299</i>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	23,923,545	10,816,575	34,740,120	10,055,299
<i>Total 2016</i>	<i>6,823,971</i>	<i>3,137,328</i>	<i>9,961,299</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Teaching and educational support staff costs	160,244	160,244	57,019
Education supplies	1,037,392	1,037,392	271,200
Examination fees	371,459	371,459	159,744
Staff development	82,766	82,766	20,097
Educational consultancy	378,271	378,271	36,566
Other direct costs	150,924	150,924	129,432
Recruitment and support	-	-	8,119
Security and transport	48,479	48,479	-
Catering	-	-	1,140
ICT	290,824	290,824	65,724
Depreciation	2,298,558	2,298,558	104,579
Other support costs	-	-	11,000
Wages and salaries	15,549,992	15,549,992	4,852,729
National insurance	1,472,535	1,472,535	434,721
Pension cost	2,082,101	2,082,101	671,901
	<u>23,923,545</u>	<u>23,923,545</u>	<u>6,823,971</u>
<i>At 31 August 2016</i>	<u>6,823,971</u>	<u>6,823,971</u>	

Analysis of support costs

	Educational operations £	Total 2017 £	Total 2016 £
Pension finance cost	358,000	358,000	94,000
Staff costs	6,061,880	6,061,880	1,169,666
Recruitment and support	55,758	55,758	197
Maintenance of premises and equipment	1,773,645	1,773,645	1,323,190
Cleaning	120,474	120,474	13,610
Rent and rates	190,098	190,098	75,007
Insurance	128,141	128,141	34,092
Security and transport	99,826	99,826	12,977
Catering	508,346	508,346	80,369
ICT	205,515	205,515	2,793
Utilities	499,556	499,556	171,581
Bank interest and charges	1,979	1,979	2,262
Other support costs	754,857	754,857	239,274
Audit and accountancy	58,500	58,500	12,310
	<u>10,816,575</u>	<u>10,816,575</u>	<u>3,231,328</u>
<i>At 31 August 2016</i>	<u>3,231,328</u>	<u>3,231,328</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above Amount £5,000 £	Reason
Loss on disposal of fixed assets	902,843	877,146	Demolition of freehold building as part of redevelopment.
		25,697	Planning costs on discontinued project.

Included within expenditure are the following transactions:

	Total £	Individual items above Amount £5,000 £	Reason
Ex-gratia payments	1,800	-	

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2016, being delegated authority or approval from the Education & Skills Funding Agency.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,395,716	104,578
Loss on disposal of fixed assets	902,843	-
Auditor's remuneration - audit	34,500	8,000
Auditor's remuneration - other services	24,000	4,295
Operating lease rentals	77,529	9,000
	<u>2,434,588</u>	<u>125,873</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	18,947,153	5,650,050
Social security costs	1,730,867	492,776
Operating costs of defined benefit pension schemes	3,967,797	952,063
	<u>24,645,817</u>	<u>7,094,889</u>
Apprenticeship levy	29,317	-
Redundancy/termination payments	85,583	26,402
Supply teacher costs	405,791	7,726
	<u>25,166,508</u>	<u>7,129,017</u>

Included in redundancy costs is one non-statutory/non-contractual severance payment of £1,800 (2016 £nil). Other redundancy payments relate to contractual payments due as a result of decisions by the Trustees to terminate employment contracts before normal retirement age. Costs are charged on an accruals basis to the relevant service line when the Trustees are demonstrably committed to the termination of an employment contract.

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

	2017 No.	2016 No.
Teachers	397	90
Administration and support	526	113
Management	31	10
	<u>954</u>	<u>213</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	357	90
Administration and support	371	65
Management	31	10
	<u>759</u>	<u>165</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	13	6
In the band £70,001 - £80,000	3	0
In the band £80,001 - £90,000	4	1

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10. STAFF COSTS (continued)

In the band £90,001 - £100,000	1	0
In the band £110,000 - £120,000	1	1

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 £889,132 (2016: £1,161,266).

11. CENTRAL SERVICES

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

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

The academy charges for these services on the following basis:

The Trust charges for these services as a flat percentage of 2% of the General Annual Grant (excluding Bursary and PFI income).

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Clacton County High School	165,684	-
St Helena School	93,832	-
Harwich and Dovercourt High School	32,160	-
Monkwick Infants School	22,710	-
Monkwick Junior School	19,585	-
The Stanway School	108,508	-
Thomas Lord Audley School	82,355	-
Total	<u>524,834</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

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The highest paid Trustee received remuneration of £117,780 (2016 - £113,760).

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:

		2017 £'000	2016 £'000
Mr Jeff Brindle -Executive Principal	Remuneration	115-120	110-115
	Pension contributions paid	15-20	15-20
Justine Holmes - Staff Governor	Remuneration		45-50
	Pension contributions paid		5-10
Julie Aldis- Staff Governor	Remuneration		25-30
	Pension contributions paid		0-5

During the year, no Trustees received any benefits in kind (2016 - £NIL).

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

13. 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 2017 was £1,954 (2016 - £1,761).

14. OTHER FINANCE INCOME/COST

	2017 £	2016 £
Interest on pension scheme liabilities	(358,000)	(94,000)

15. TANGIBLE FIXED ASSETS

	Freehold property £	Tenant's alterations £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost / valuation					
At 1 September 2016	653,000	44,983	-	134,237	478,958
Additions	555,061	-	-	100,135	190,409
Academies transfer in	44,377,898	-	13,184	326,135	487,512
Disposals	(1,036,844)	-	-	-	-
Transfer between classes	913,747	-	-	-	-
At 31 August 2017	45,462,862	44,983	13,184	560,507	1,156,879

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**NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS (continued)

Depreciation

At 1 September 2016	57,682	1,800	-	65,074	349,097
Charge for the year	1,004,039	900	3,296	81,420	306,061
On disposals	(159,698)	-	-	-	-
At 31 August 2017	902,023	2,700	3,296	146,494	655,158
Net book value					
At 31 August 2017	44,560,839	42,283	9,888	414,013	501,721
At 31 August 2016	595,318	43,183	-	69,163	129,861

				Assets under construction £	Total £
Cost / valuation					
At 1 September 2016				25,697	1,336,875
Additions				3,868,316	4,713,921
Academies transfer in				448,228	45,652,957
Disposals				(25,697)	(1,062,541)
Transfer between classes				(913,747)	-

At 31 August 2017	3,402,797	50,641,212
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Depreciation

At 1 September 2016	-	473,653
Charge for the year	-	1,395,716
On disposals	-	(159,698)

At 31 August 2017	-	1,709,671
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Net book value

At 31 August 2017	3,402,797	48,931,541
At 31 August 2016	25,697	863,222

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

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

The disposal of freehold property represents the demolition of a building at The Stanway School as part of the redevelopment scheme to expand the school which is being funded by Essex County Council.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	22,492	-

17. DEBTORS

	2017 £	2016 £
Due after more than one year		
Other debtors	34,107	-
Due within one year		
Trade debtors	92,667	-
VAT recoverable	385,998	41,283
Other debtors	677,069	-
Prepayments and accrued income	443,737	174,828
	<u>1,633,578</u>	<u>216,111</u>

18. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	627,034	32,930
Other taxation and social security	422,648	145,753
Other creditors	710,168	110,271
Accruals and deferred income	832,190	455,720
	<u>2,592,040</u>	<u>744,674</u>
Deferred income		
Deferred income at 1 September 2016	163,339	187,006
Resources deferred during the year	399,084	163,339
Amounts released from previous years	(163,339)	(187,006)
Deferred income at 31 August 2017	<u>399,084</u>	<u>163,339</u>

At the balance sheet date the academy trust was holding £113,159 received in advance for overfunding in connection with the PFI Budget Share contribution, and other deferred income relating to trip income in advance, and funding received in advance relating to the year commencing on 1 September 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	900,749	3,101,810	(16,842)	(538,720)	-	3,446,997
Restricted funds						
General Annual Grant (GAG)	644,824	31,890,367	(29,874,836)	(646,056)	-	2,014,299
North Essex Teacher Training	-	387,907	(306,188)	-	-	81,719
Pension reserve	(4,547,000)	(15,181,000)	(2,243,696)	967,696	1,739,000	(19,265,000)
	<u>(3,902,176)</u>	<u>17,097,274</u>	<u>(32,424,720)</u>	<u>321,640</u>	<u>1,739,000</u>	<u>(17,168,982)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	863,222	51,656,280	(2,298,558)	217,080	-	50,438,024
Total restricted funds	<u>(3,038,954)</u>	<u>68,753,554</u>	<u>(34,723,278)</u>	<u>538,720</u>	<u>1,739,000</u>	<u>33,269,042</u>
Total of funds	<u>(2,138,205)</u>	<u>71,855,364</u>	<u>(34,740,120)</u>	<u>-</u>	<u>1,739,000</u>	<u>36,716,039</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	882,502	18,247	-	-	-	900,749
	<u>882,502</u>	<u>18,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,749</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	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
	<u>847,071</u>	<u>32,142</u>	<u>(104,579)</u>	<u>88,588</u>	<u>-</u>	<u>863,222</u>
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>(35,523)</u>	<u>9,895,617</u>	<u>(10,055,299)</u>	<u>-</u>	<u>(1,943,000)</u>	<u>(2,138,205)</u>

During the year £217,080 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 General Annual Grant restricted fund includes all restricted GAG income and related expenditure and is used for the normal running of the academy.

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Clacton County High School (The Sigma Trust)	1,625,230	1,545,573
St Helena School	820,836	-
Harwich and Dovercourt High School	900,440	-
Monkwick Infants School	504,269	-
Monkwick Junior School	56,119	-
The Stanway School	1,243,613	-
Thomas Lord Audley School	109,334	-
The Sigma Trust Central Services	201,455	-
North Essex Teacher Training	81,719	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	5,543,015	1,545,573
Restricted fixed asset fund	50,438,024	863,222
Pension reserve	(19,265,000)	(4,547,000)
	<hr/>	<hr/>
Total	<u>36,716,039</u>	<u>(2,138,205)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Clacton County High School	6,067,366	734,349	195,181	2,490,397	9,487,293	9,950,721
St Helena School	3,406,611	1,165,111	172,822	1,048,136	5,792,680	-
Harwich and Dovercourt High School - 3 month period	1,127,174	322,743	51,527	211,242	1,712,686	-
Monkwick Infants School	879,801	349,982	37,707	227,352	1,494,842	-
Monkwick Junior School	795,822	248,263	50,219	168,456	1,262,760	-
The Stanway School	4,595,275	744,960	387,557	1,111,134	6,838,926	-
Thomas Lord Audley School	3,499,375	663,752	141,206	701,320	5,005,653	-
Sigma Central Services	294,896	81,148	1,173	165,798	543,015	-
North Essex Teacher Training	171,173	18,707	-	113,821	303,701	-
	<u>20,837,493</u>	<u>4,329,015</u>	<u>1,037,392</u>	<u>6,237,656</u>	<u>32,441,556</u>	<u>9,950,721</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	48,931,541	48,931,541
Debtors due after more than 1 year	-	34,107	-	34,107
Current assets	3,446,997	4,653,951	1,506,483	9,607,431
Creditors due within one year	-	(2,592,040)	-	(2,592,040)
Provisions for liabilities and charges	-	(19,265,000)	-	(19,265,000)
	<u>3,446,997</u>	<u>(17,168,982)</u>	<u>50,438,024</u>	<u>36,716,039</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	<i>2017 £</i>	<i>2016 £</i>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	37,115,244	(159,682)
Adjustment for:		
Depreciation charges	1,395,716	104,579
Dividends, interest and rents from investments	(9,821)	(18,247)
Loss on the sale of fixed assets	902,843	-
Increase in stocks	(22,492)	-
Increase in debtors	(1,417,467)	(83,290)
Increase/(decrease) in creditors	1,847,366	(45,319)
Capital grants from DfE and other capital income	(5,244,455)	(32,142)
Defined benefit pension scheme cost less contributions payable	918,000	56,000
Defined benefit pension scheme finance cost	358,000	95,000
Transfer on academies joining the trust	(35,377,962)	-
Reserves transferred on academies joining the trust	4,906,005	-
Net cash provided by/(used in) operating activities	<u>5,370,977</u>	<u>(83,101)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2017 £</i>	<i>2016 £</i>
Cash in hand	7,985,468	2,074,136
Total	<u>7,985,468</u>	<u>2,074,136</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>4,188,698</u>	<u>-</u>

24. 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 for all academies within the MAT. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £360,162 were payable to the schemes at 31 August 2017 (2016 - 110,271) 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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

- 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 is currently underway based on April 2016 data, 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 £2,090,741 (2016 - £671,901).

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 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 2017 was £1,258,000 (2016 - £296,000), of which employer's contributions totalled £970,000 (2016 - £225,000) and employees' contributions totalled £288,000 (2016 - £71,000). The agreed contribution rates for future years are 18.7%-21.9% 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	60.00 %

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	30,311,000	6,670,000
Discount rate -0.1%	31,753,000	6,968,000
Mortality assumption - 1 year increase	32,057,000	6,995,000
Mortality assumption - 1 year decrease	30,022,000	6,643,000
CPI rate +0.1%	31,615,000	6,643,000
CPI rate -0.1%	6,945,000	6,692,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	7,667,000	1,556,000
Alternative assets and other managed funds	1,396,000	210,000
Corporate bonds	459,000	102,000
Property	1,140,000	251,000
Gilts	733,000	82,000
Cash	363,000	69,000
Total market value of assets	11,758,000	2,352,000

The actual return on scheme assets was £1,168,000 (2016 - £279,000).

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

	2017 £	As restated 2016 £
Current service cost	(1,885,696)	(280,162)
Net interest cost	(358,000)	(94,000)
Administration expenses	-	(1,000)
Total	(2,243,696)	(375,162)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	2017 £	<i>As restated</i> 2016 £
Opening defined benefit obligation	6,817,028	4,183,866
Transferred in on existing academies joining the trust	22,714,320	-
Current service cost	1,885,696	280,162
Interest cost	488,000	168,000
Employee contributions	288,000	71,000
Actuarial (gains)/losses	(757,000)	2,148,000
Effect of non-routine settlements	-	(34,000)
	<u>31,436,044</u>	<u>6,817,028</u>

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

	2017 £	<i>As restated</i> 2016 £
Opening fair value of scheme assets	2,270,028	1,730,866
Transferred in on existing academies joining the trust	7,533,320	-
Interest income	130,000	74,000
Actuarial losses	982,000	205,000
Employer contributions	967,696	224,162
Employee contributions	288,000	71,000
Administration expenses	-	(1,000)
Benefits paid	-	(34,000)
	<u>12,171,044</u>	<u>2,270,028</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	74,610	-
Between 1 and 5 years	220,632	-
After more than 5 years	127,037	-
	<u>422,279</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. 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 £1,518,859 (2016 : £1,244,146). The Governors' liability from school revenue towards this figure for the year ended 31 August 2017 will be £910,638. 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.

27. 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.

28. RELATED PARTY TRANSACTIONS

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

During the year, a close family member of key management was remunerated in respect of services they provide undertaking their roles as a staff member under their contract of employment. The individual concerned was Mrs E Markham, wife of the Chief Operation Officer, employed as a part time HLTA on local government band 4.

During the year, the trust also made purchases from Printing for Pleasure, a company owned by the brother of S Holder, a trustee. These purchases totalled £498 across the trust for the year ended 31 August 2017. No amounts were outstanding at the year end.

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

29. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 busary funds to students as an agent for ESFA. In the accounting year ending 31 August 2017 the trust received £38,283 bursary funding and received £20,823 on transfer in of an academy. £41,690 was disbursed from the fund. An amount of £24,812 (2016: £7,396) is included in accruals and deferred income relating to undistributed funds that are repayable to ESFA.

The academy trust distributes Tendring Primary Partnership funds as an agent for Essex County Council. In the accounting year ending 31 August 2017 the trust transferred the balance held at 31 August 2016 of £11,380 to another provider and no longer acts as agent for these funds.

The academy is the lead school for North East Essex Teacher Training, which distributes training bursaries on behalf of NCTL. During the accounting year ended 31 August 2017 bursary funding of £431,000 was received and £381,600 was distributed. The balance of £49,400 is included in other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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30. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

St Helena School (transfer in on 1/9/2016)

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Freehold property	7,200,590	-	7,200,590
Motor vehicles	13,184	-	13,184
Fixtures and fittings	45,648	-	45,648
Computer equipment	23,607	-	23,607
Assets under construction	134,919	-	134,919
Stock	1,546	-	1,546
Debtors due within one year	271,966	-	271,966
Cash in bank and in hand	1,534,244	-	1,534,244
Liabilities			
Creditors due within one year	(565,403)	-	(565,403)
Pensions			
Pensions - pension scheme assets	1,636,747	-	1,636,747
Pensions - pension scheme liabilities	(4,652,747)	-	(4,652,747)
Net assets	<u>5,644,301</u>	<u>-</u>	<u>5,644,301</u>

**The Stanway Federation (transfer in on
1/9/2016)**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Freehold property	27,884,079	-	27,884,079
Fixtures and fittings	196,427	-	196,427
Computer equipment	378,774	-	378,774
Assets under construction	267,977	-	267,977
Stock	23,428	-	23,428
Debtors due after one year	1,019,783	-	1,019,783
Cash in bank and in hand	2,788,182	-	2,788,182
Liabilities			
Creditors due within one year	(1,150,307)	-	(1,150,307)
Pensions			
Pensions - pension scheme assets	3,330,573	-	3,330,573
Pensions - pension scheme liabilities	(11,035,573)	-	(11,035,573)
Net assets	<u>23,703,343</u>	<u>-</u>	<u>23,703,343</u>

**Harwich and Dovercourt High School
(transfer in on 1/6/2017)**

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

30. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY (continued)

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Freehold property	9,293,229	-	9,293,229
Motor vehicles	84,060	-	84,060
Computer equipment	85,131	-	85,131
Assets under construction	45,332	-	45,332
Stock	7,914	-	7,914
Debtors due after one year	34,107	-	34,107
Debtors due within one year	238,631	-	238,631
Cash in bank and in hand	909,818	-	909,818
Liabilities			
Creditors due within one year	(207,903)	-	(207,903)
Pensions			
Pensions - pension scheme assets	2,566,000	-	2,566,000
Pensions - pension scheme liabilities	(7,026,000)	-	(7,026,000)
Net assets	6,030,319	-	6,030,319