

THE SIGMA TRUST

(A company limited by guarantee)



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THE SIGMA TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Richard Moodey
Nick Pavitt
Brian Palmer
Sara Cullis
Andrew Smith

Trustees

Nick Pavitt, Chair of Trustees
Crystal Hawkins (nee Wright), Chair of Finance to 12/9/17 (resigned 13 September 2017)¹
Andrew Davenall, Vice Chair to 12/09/2017 (resigned 13 September 2017)¹
Bradley Powell^{1,2}
Lorraine Laudrum (resigned 11 January 2018)
Steve McGrath, Vice Chair, Chair of Risk & Audit Committee^{1,2}
Carol Carlsson Browne¹
Adrian Leggett, Chair of Finance¹
Jeff Brindle, Chief Executive Officer and Accounting Officer¹
Clive Bull (appointed 6 December 2017)¹
Kay Maddox-Daines (appointed 6 December 2017)²
Bharat Parmar (appointed 6 December 2017)²

¹ Finance Committee

² Audit and Risk Committee

Company registered number

07926573

Company name

The Sigma Trust

Registered office

Walton Road
Clacton On Sea
Essex
CO15 6DZ

Principal operating office

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary

Sharon Burns

Chief Executive Officer

Jeff Brindle

Senior management team

Neil Gallagher, Principal, Clacton County High School. Interim Executive Headteacher, Colne Community School (from 04/06/2018)

Zoe King, Executive Headteacher, St Helena School (resigned 31/08/2018)

Fiona Pierson, Headteacher, St Helena School (appointed 01/9/2018)

Scott Holder, Co-Headteacher, The Stanway School (to 31/08/2018). Interim Executive Headteacher, Philip Morant School and Director of Education, The Sigma Trust (from 01/09/2018)

Jonathan Bland, Co-Headteacher, The Stanway School (to 31/08/2018). Headteacher, The Stanway School (from 01/09/2018)

Helena Boast, Headteacher, Thomas Lord Audley School

Claire Holmes, Headteacher, Monkwick Infant & Nursery School

Rebecca McCutcheon, Headteacher, Monkwick Junior School

Rob Garrett, Headteacher, Harwich and Dovercourt High School to 26/02/2018 (resigned 31/08/2018)

Kate Finch, Headteacher, Harwich and Dovercourt High School (appointed 26/02/2018)

Carol Anne Moffat, Headteacher designate - Paxman Academy (appointed 25/05/2017)

Brian Markham, Chief Operations Officer

Jacqueline Tomkins, Chief Financial 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
FOR THE YEAR ENDED 31 AUGUST 2018**

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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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 1st September 2017 to 31 August 2018. The Annual Report serves the purpose of both a Trustees' report, and a directors' report under company law.

As at the 31st August 2018, the Trust operates two primary academies; one includes a nursery provision, and five secondary academies; two of the secondary academies operate 11-18. In addition to these the Trust is in the process of re-brokering two 11-18 secondary schools and the creation of a secondary free school due to open to a year 7 cohort of up to 180 pupils in September 2019. All academies, including those joining the Trust in 2019, serve a catchment area in the Colchester and Tendring locality. The Trust has a combined net Pupil Capacity of 6,470 and had a number on roll of 5,970 in the Autumn 2018 census.

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

As outlined above and subject to the Secretary of State for Education approval, the below academies are due to transfer in to the Trust throughout the 2018-19 academic year:

- The Colne Community School and College – 11-18 provision
- The Philip Morant School and College – 11-18 provision
- The Paxman Academy, Free School – 11-16 Provision

The combined increase to the Trusts current NET capacity of 6,470 from the above academies will be an additional 4,290 places.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 £10 million; this is held with the Education Skills Funding Agency's Risk Protection Arrangement. In the period under review there have been no claims made against this policy.

Method of Recruitment and Appointment or Election of Governors

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

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

- Up to eight Trustees (to be elected and confirmed by the Members)
- 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; these positions are filled by the original appointments at the establishment of the Trust, the Chair of the Trustees will be a Member by appointment to the 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 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,

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FOR THE YEAR ENDED 31 AUGUST 2018

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 reselection 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. Where appropriate after attending the first full Trustees meeting of the academic year. 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. The Trust has completed a full skills review of all its Trustees and LGB members and has identified key, targeted training sessions to be completed throughout the 2018-19 academic 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 via 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 academies 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.

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Arrangements for setting pay and remuneration of key management personnel

The Trustees will receive and approve the staffing structures from each LGB annually, which they believe 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, these policies are in place for all trust employees.

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

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

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

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

Trade Union facility time (as per The Trade Union Facility Time Publication Requirements Regulations 2017)

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
10	7.06

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	8
1% - 50%	2
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£2,421
Total pay bill	£27,710,709
Percentage of the total pay bill spent on facility time	0.009

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Paid trade union activities

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

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

The Sigma Trust is also the recognised legal entity by the National College of Teaching and Leadership for the North Essex Teacher Training (NETT) ITT scheme; 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 locality and Essex University to form the VI6 initiative. This collaboration enables the sharing of best teaching and the generation of the broadest curriculum offer of minority subjects such as Further Maths and MFL, which could not be offered viably in a single institution.

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

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

The Trust works in collaboration with the Learning Pathways Academy Trust for the provision of Primary school improvement and executive leadership support at the Monkwick Infant and Junior Schools.

Strategic Report

Objectives and Activities

Objects and Aims

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.

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- 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.

Objectives, Strategies and Activities

Our main objectives and success criteria for this period, were established in our 2017/18 Development plan, and were as follows

Strategic Items	Core Objectives	Success Criteria
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 within a broad and balanced curriculum that also promotes student's happiness and well-being EBacc targets are met - Performance Tables
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 • Review the curriculum provision for all subjects and design a curriculum map that ensures pupils receive a well-balanced and broad curriculum. • Develop the meta-cognition of pupils through the curriculum map. 	All Foundation subjects are fully covered and pupils progress is monitored effectively - Ofsted reports
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 and children feel safe in school and on-line - Ofsted
To implement a structure of internal reviews based on identified areas for improvement and Ofsted cycle that inform Strategic Improvement Plans	<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 understand of the areas for improvement and the action to be implemented - Ofsted
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 • Carry out an internal review of Year 1 led by external consultant • Develop transition work between KS1 and 2 	Phonics outcomes at end of Year 1 and results at the end of Year 2 match national outcomes - Performance tables

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TRUSTEES' REPORT (continued)
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Strategic Intent	Core Objectives	Success Criteria
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 particularly linked to hard to reach families • Create a Strategic Team for Attendance to ensure best practice is shared and implemented 	Attendance rates and levels of persistent absence are at or above national average for all groups of pupils - Attendance outcomes
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 - Exclusion data
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 - Performance tables
To continue to raise attainment 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 • Investigate decline in progress in English and share good practice • Implement urgent intervention in HDHS to begin to address attainment issues 	English and Maths attainment is at least in line with national average measures. - Performance tables
To ensure that Sixth Form provision across the MAT is of the highest quality, meets student needs, ensures best outcomes and is financially viable	<ul style="list-style-type: none"> • Review retention levels into Sixth Form and curriculum offer • Consider possibility of creating joint provision with CCHS 	Sixth Form provision across the Trust is highly regarded, financially viable and achieves strong outcomes for students - Ofsted
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, Payroll 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. - Expansion targets met
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. - NETT data
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"> • Ensure that the School Condition Allocation (SCA) is linked to the completed building condition survey. • 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. • Complete a Trust wide asbestos review, register and removal plan. 	Significant improvements made to the condition of the buildings across the Trust meeting the local demand for places - SCA reports

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Strategic Intent	Core Objectives	Success Criteria
To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan	<ul style="list-style-type: none"> • 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 • A 5-year plan is created for all academies 	All academies are able to deliver in year balanced budgets and have identified use of their "capital" reserves linked to a long-term strategic plan. - Finance report
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 project are achieved within budget excluding any agreed enhancements - Finance report
To strengthen governance at all levels across the Trust	<ul style="list-style-type: none"> • Launch a second round of advertising with Academies Ambassadors aimed at strengthening the expertise in relation to finance and HR • 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. - Ofsted

Public Benefit

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

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

Achievements and Performance

<ul style="list-style-type: none"> • Progress at The Stanway School and Clacton County High School remains above average • CCHS judged to be Good with Outstanding Leadership and Sixth Form • Retention of Ofsted 'Good' judgement at St Helena School • Monkwick Junior School rated as Require Improvement with Good Behaviour, previously Special Measures • Improve outcomes at both Monkwick Junior and Monkwick Infant schools • Improved attendance at Thomas Lord Audley • Central Team firmly established; including HR, Finance, Payroll, Estates and IT. • Appointment of Director of education and Director Standards to increase leadership capacity • Finances remain robust at all academies with few schools with in-year deficits. • Appointment of Headteacher and leadership team at St Helena School • Approved sponsor for new build Paxman Academy. Head appointed and school well on track to open on time with a strong intake • Re-brokerage of Colne Community School and Philip Morant agreed and due to be completed in Jan 2019 • Interim leadership and operational support provided in the transition period for both Thrive schools

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Summary Self Evaluation 2017/18 - Primary Academies	National Average		Monkwick Junior School				Monkwick Infant and Nursery School			
Joined Sigma			Sep-16				Sep-16			
Type			Re-brokered				Converter			
Age Range			7-11				2-7			
Ofsted grade			Requires improvement				Requires improvement			
Date of inspection			Jul-18				Jan-17			
Attendance	2017		2017		2018		2017		2018	
Average attendance	96.0%		96.0%		96.0%		95.2%		96.0%	
Pesistent absence	8.3%		10.6%		6.1%		12.7%		11.9%	
KS2 outcomes	2018		2017		2018					
Progress			All		All					
Reading			-3.6		-2.2					
Writing			-5.5		-0.2					
Maths			-1.8		-4.2					
Attainment	Expect.	Greater Depth	Expected	Greater Depth	Expected	Greater Depth				
Combined	64%	10%	34%	2%	46%	0%				
Reading	68%	28%	45%	14%	65%	10%				
Writing	78%	20%	50%	5%	69%	13%				
Maths	76%	24%	61%	16%	50%	4%				
KS1 outcomes	2018						2017		2018	
Attainment	All						All	Disadvan taged	All	Disadvan taged
Reading	75%						74%	66%	70%	48%
Writing	70%						62%	45%	62%	44%
Maths	76%						74%	63%	65%	44%
Phonics										
Year 1	82%						65%	50%	85%	73%
Year 2	92%						78%	63%	82%	65%
Floor target met?			Yes		Yes		n/a		n/a	
Coating target met?			No		No		n/a		n/a	

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	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		Good		Good		Good	
Date of inspection		Sep- 18		Jul- 16		Dec- 17		Mar- 17		Apr- 16	
Attendance	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Average attendance	94.6%	94.8%	95.1%	94.6%	94.7%	95.6%	94.6%	95.7%	95.4%	93.8%	94.3%
Persistent Absence	13.5%	13.9%	10.8%	13.5%	12.7%	7.2%	11.0%	8.1%	9.1%	19.5%	12.2%
KS2 prior attainment	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Ave. Pts. Score	28.7	26.2	26.6	27.8	28.1	27.8	27.6	28.5	28.6	27.0	26.7
KS4 outcomes	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Progress8 - All		0.48	0.25	-0.67	-0.64	-0.11	-0.56	0.21	0.09	-0.19	-0.36
Attainment 8 - All	44.3	44.8	43.8	38.2	38.6	42.6	37.9	48.7	47.5	40.5	38.0
EBacc Ave. Pts.	3.83		3.07		3.08		3.17		4.09		3.23
EN & MA 5+	39.9%	31%	25%	27%	24%	34%	26%	47%	40%	36%	26%
Floor target met?		Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes
Coasting target met?		Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	No

Financial Key Performance Indicators

	2017-2018	2016-2017
Total income per pupil	£5,400	£5,400
GAG/Grant income per pupil	£6,300	£6,600
GAG as % of total non capital income	76%	77%
Staff costs as % total (non capital) income	78%	81%
Staff costs as % GAG/Grant income	87%	85%
Staff costs as % total expenses	75%	72%
Teaching staff costs as % total staff costs	75%	76%
Cash as % total income	21.89%	23.62%
Wages cost per pupil	£5,500	£5,700

Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2018, total expenditure of £39,422,645 was less than recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £1,915,827. All expenditure has supported the objectives of the Academy. The restricted and unrestricted income fund reserves held at 31 August 2018 were £5,242,188. These reserves are held to support the academy budget in times of reduced funding levels. The deficit for the year on restricted general funds (excluding pension) and unrestricted funds was £300,827.

At 31 August 2018 the net book value of fixed assets was £54,086,032 and movements in tangible fixed assets are shown in the note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The balance sheet includes a liability of £16,930,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see note 24 for further details).

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

Following a successful bid to the office of the Regional Schools Commissioner, the Trust has received approval for a £91,000 Growth Fund Bid. The Trust will receive this funding following the approval of two additional schools joining our Trust. With the re-brokerage of two additional academies into our Trust during 2018/19 we will receive this funding to support with the salary cost for supporting the Trusts expansion.

The Trusts School Condition Allocation for 2018-19 was £1,535,835. The Trustees have identified additional roofing works at the Harwich and Dovercourt High School site, mechanical and electrical work at the Thomas Lord Audley site and ACM removal works at the Monkwick Junior School site as the key projects. In addition to these works the Trust is in the process of obtaining tender returns and designs for kitchen remodelling at The Stanway School and St Helena School.

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

The trust has total funds of £44,247,107 as at 31 August 2018, £55,934,919 of which is held in the restricted

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

fixed asset fund and £54,086,032 of that can only be realised by disposing of tangible fixed assets.

The Trust is holding reserves of £5,242,188 of which £3,283,571 is an unrestricted general reserve fund predominantly inherited on original academy conversion. The remainder of this holding reserves figure is £1,958,617 which has been accrued since conversion to academy status. Of the £1,958,617 restricted reserves the Trustees are working on strategic plans for the following investment projects across the Trust:

- Proposed 3 forms of entry expansion at Clacton County High School, proposed for 2019-20.
- Proposed sale of 'The Grange' property at Harwich and Dovercourt High School.
- Upgrade of student washroom facilities at St Helena School.
- Remodelling/re-construction of dining and kitchen facilities at The Stanway School and St Helena School.
- Significant mechanical infrastructure replacement at Thomas Lord Audley School
- Additional over staffing capacity within the Trust

The reserves position at the year end is as expected and is in line with budgets. The reserves are adequate to support current proposed expenditure, and the academy trust's budget forecasts demonstrate that adequate funds will be maintained in line with the reserves policy.

The academy trust has a deficit of £16,930,000 (2017: £19,265,000) on the restricted LGPS pension reserve. This is a long term liability which is being addressed by payment of additional contributions as determined by the scheme's actuaries. These contributions are being met from the academy's budgeted annual income and there is no direct impact on the free reserves of the academy.

Investment Policy

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

The Trust uses a bank account which was approved by the Trustees and maintains a balance in that account that is sufficient to cover immediate and forthcoming financial commitments.

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

Principal Risks and Uncertainties

The Sigma Trust's risk management processes aim to minimise the perceived risk to the Trust. The main current risk of any materiality relates to the deficit the Trust holds in the Local Government Pension Scheme. 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 principle 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.
- Future pay award recommendations from both the Local Governments and Teacher's pay review bodies.
- Recruitment and retention of experienced staff.
- Continued increase in the Local Government Pension Scheme Liability.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

Fundraising

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

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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:

Strategic Intent	Core Objectives	Success Criteria
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"> • Explore introducing block timetabling between neighbouring schools to achieve the above goal that develops the use of the Paxman Academy site • Ensure the curriculum is enriched through a wide and varied extra-curricular offer across all academies 	All academies achieve Progress 8 outcomes that are above average within each "bucket" and for all groups of students within a broad and balanced curriculum that also promotes student's happiness and well-being
To ensure that the curriculum offer in primary schools is sufficiently rich to fully cover each of the Foundation subjects, whilst raising achievement in literacy and numeracy.	<ul style="list-style-type: none"> • Develop the foundation subjects to ensure clear skills and learning intentions are evident and progressive. 	All Foundation subjects are fully covered and pupils progress is monitored effectively
To ensure teachers' assessments are based on robust and objective models.	<ul style="list-style-type: none"> • Implement an "Outward Grange" approach to intervention across all academies overseen by Director of Standards. 	Assessment outcomes are accurate in predicting summative performance and in identifying pupils who require intervention.
To review the quality of teaching in KS1 in relation to phonics and writing	<ul style="list-style-type: none"> • Ensure outcomes at the end of KS1 ensure a smooth transition to KS2 	Phonics outcomes at end of Year 1 and results at the end of Year 2 match national outcomes
To continue to drive up levels of attendance and reduce persistent absence	<ul style="list-style-type: none"> • Review impact of Attendance Solutions and adjust as necessary 	Attendance rates and levels of persistent absence are at or above national average for all groups of pupils
To continue to reduce fixed term exclusions and avoid permanent exclusions	<ul style="list-style-type: none"> • Create in-house equivalent of STOP programme to eliminate Fixed Term Exclusions • Introduce Sigma wide Managed Moves and provide transport where necessary. 	No permanent exclusions and fixed term exclusions well below national average linked to improved behaviour in all schools
To raise levels of progress in all schools for all groups of pupils, particularly those from disadvantaged backgrounds	<ul style="list-style-type: none"> • Continue to review areas of curriculum or groups of students that are underachieving and implement action plans • Develop cross Trust strategy for use of PPG and implement Pupil Premium Reviews in identified schools. 	Progress measures at all key stages are above national average in each school for all groups of pupils
To continue to raise attainment at all key stages	<ul style="list-style-type: none"> • Review attainment outcomes for all academies for different groups of pupils • Identify intervention required • Continue to extend EBacc entry in all academies to ensure at least at National Average 	English and Maths attainment is at least in line with national average measures
To ensure that Sixth Form provision across the MAT is of the highest quality, meets student needs, ensures best outcomes and is financially viable	<ul style="list-style-type: none"> • Review Sixth Form provision across the Trust to widen choice and opportunities for all students. • Begin to relocate the Sixth Form at CCHS to the TEC site and create Sigma wide provision • Identify levels of provision required at HDHS and Colne. 	Sixth Form provision across the Trust is highly regarded, financially viable and achieves strong outcomes for students

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Intent	Core Objectives	Success Criteria
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"> • Expand the central capacity to meet the growth identified in the number of academies. • Appoint an Estate Manager to have responsibility for day to day management • Appoint a Marketing and Communication Assistant • Appoint a Director of Standards and consider future succession planning • Strengthen leadership capacity in all academies as required. 	The Sigma Trust has the capacity to support existing schools and possible further expansion and leadership is strong in all academies.
To maximise recruitment on to initial teacher training programmes in order to provide all schools with a strong pool of NQTs	<ul style="list-style-type: none"> • Continue to expand and strengthen the provision at NETT and ensure it is Ofsted ready. • TeachFirst operational in all eligible schools. • Launch Teacher Apprenticeship scheme with a small cohort 	NETT has high levels of recruitment and is the provider of choice. All academies are able to recruit high quality NQTs.
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 a clear structure for Network Manager team to ensure all academies are receiving an equal service • Introduce a Google platform in all schools to ensure effective communication and sharing of files across the Trust 	All academies have a strong ICT infrastructure that meets the educational and administrative needs
To ensure that Sigma has the capacity required for its existing academies whilst seeking opportunities to expand to support additional schools, particularly in the primary sector	<ul style="list-style-type: none"> • Extend role of Primary Executive Lead as the number of primary schools increase • Expand the number of primary schools by demonstrating the strengths of the Trust to that sector • Ensure Paxman Academy is able to open on time • Provide the capacity necessary to support the re-brokerage of the Thrive schools 	Sigma is able to expand to 15 academies to provide optimum revenue and create a local family of schools that fully embrace the mission, vision and values of the Trust
To ensure that the buildings are maintained to high level to provide a high quality learning environment for all pupils	<ul style="list-style-type: none"> • Work started on the major expansion at CCHS and transfer of Sixth Form to TEC • Sale of land at HDHS finalised and planned improvements on site initiated. • Paxman Academy under construction and completed at end of year. • Expansion of Colne agreed and plans submitted • Remodelling of Stanway hall and kitchen fully costed and agreed • Planned programme of condition work underway 	Significant improvements made to the condition of the buildings across the Trust meeting the local demand for places
To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan.	<ul style="list-style-type: none"> • Staff Deployment Analysis and similar benchmarking tools for support staff ensure further reductions in expenditure are achieved where necessary • Ensure that Colne and Philip Morant are financially sound and are able to deliver balanced budgets and rebuild reserves 	All academies are able to deliver in year balanced budgets and have identified use of their "capital" reserves linked to a long-term strategic plan.
To strengthen governance at all levels across the Trust	<ul style="list-style-type: none"> • Appoint experienced "regional governors" who could serve on more than one LGB. • Review Governance structures and seek to create more joint LGB opportunities 	The Board of Trustees and each LGB has governors with the relevant levels of skills and expertise and with effective succession planning.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Intent	Core Objectives	Success Criteria
To create a Sigma wide approach to governance training and induction that ensures all Trustees and LGB members have the required skills and expertise	• Roll out annual training programme targeted at individual LGB members and Trustees and review impact.	LGB members have a greater understanding of their roles and responsibilities and are fully supported in their role.

Employee Involvement

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

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

Equal Opportunities and Disabled persons

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

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

Funds held as Custodian Trustee on behalf of others

None

Auditor

Insofar as the Trustees are aware:

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

The Trustees undertook a tender review exercise in this financial year for the provision of the Trusts auditors and have appointed its auditors for an additional three years.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 5 December 18 and signed on its behalf by:


.....
Nick Pavitt, Chair of Trustees

THE SIGMA TRUST
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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 from 12/09/2017))	5	5
Steve McGrath (Vice Chair from 12/09/17)	5	5
Andrew Davenall (resigned 13/09/2017)	0	0
Jeff Brindle (CEO and Accounting Officer)	5	5
Crystal Hawkins (resigned 13/09/2017)	0	0
Carol Carlsson Browne	5	5
Adrian Leggett	5	5
Lorraine Laudrum (resigned 11/01/2018)	2	2
Kay Maddox-Daines	1	2
Bradley Powell	4	5
Bharat Parmar (appointed 6/12/2017)	4	4
Clive Bull (appointed 6/12/2017)	3	4

The membership of the board of Trustees has been strengthened by the appointment of new trustees with skills in and experience of procurement, employment and change management. This has added greater capacity and challenge to our trustees with educational leadership experience.

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 took the decision at the start of the financial year to split the one original Finance and Audit Committee into two, forming the Finance Committee and the Audit and Risk Committee

For the Financial year 2017-18 the Board now consists of the following sub-committees:

- Trust Finance Committee
- Trust Audit and Risk Committee
- 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 Junior School
- Harwich & Dovercourt High School LGB
- North Essex Teacher Training (NETT)

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GOVERNANCE STATEMENT (continued)

The Trustees undertook a full skills audit throughout the 2017-18 financial period and has identified the following training sessions for Trustees and LGB Members:

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

The Trustees will undertake its next self-evaluation review in the Summer term 2019

The Finance Committee is a sub-committee of the main board of Trustees. The Committee met 5 times in the financial year and undertook the following key actions.

- Scrutinised the management accounts at each and every meeting
- Agreed to expenditure within its delegated power and made recommendations to the full board
- Reviewed and recommended to the board appointment of the Auditors
- Monitored and challenged impact and process for centralisation of the Finance and Payroll functions
- Received reports on the Free School Application and Financial viability
- Received reports on the bid for the proposed re-brokerage of two academies

Attendance at meetings in the 2017-18 year was as follows:

Trustee	Meetings attended	Out of a possible
Crystal Hawkins (nee Wright) (Chair)	0	1
Andrew Davenall	0	1
Bradley Powell	4	5
Steve McGrath (Vice-Chair)	5	5
Jeff Brindle (CEO and Accounting Officer)	5	5
Clive Bull	3	3
Carol Carlsson-Browne	3	4
Adrian Leggett	5	5
Nick Pavitt	1	1

The Audit and Risk Committee is a sub-committee of the main board of Trustees. The Committee met 3 times in the financial year and undertook the following key actions.

- Agreed and challenged the risk profile scoring of new Trust Risk Management Policy
- Scrutinised and challenged the Responsible Officers reports
- Received reports on the Trusts Estate Management Condition surveys
- Received and challenged reports from the Trusts Compliance Officer
- Received and challenged Risk and Audit processes during centralisation of the Finance and Payroll functions
- Received and challenged Risk profiles on the Free School and the proposed re-brokerage

Attendance at meetings in the 2017-18 year was as follows:

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

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GOVERNANCE STATEMENT (continued)

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:

- Ensuring robust tender frameworks are in place for the condition works carried out across the Trust estate
- Ensuring the Finance, HR and Payroll functions were all centralised within the financial year, providing savings in staffing cost of around £350,000 and providing greater security over the spending of trust funds
- Ensuring the successful application for a secondary Free School and the re-brokerage bid for two additional academies.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sigma Trust for the year 1st September 2017 to 31st August 2018 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 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 2017 to 31st August 2018 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.

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GOVERNANCE STATEMENT (continued)

- 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 appointed an internal responsible officer, in addition to peer review and Griffin Chapman, the external auditors, to perform additional checks for 2017/18.

The reviewer's 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
- Financial practise and procedural systems are consistent and regularly tested.

On an annual basis, the external auditors report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

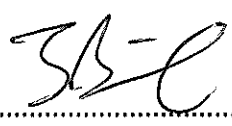
As Accounting Officer, the Chief Executive Officer Jeff Brindle, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 5 December 2018 and signed on their behalf, by:


.....
Nick Pavitt
Chair of Trustees


.....
Jeff Brindle
Accounting Officer

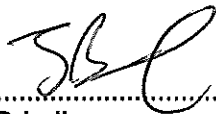
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Sigma Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who 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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 18 and signed on its behalf by:


.....
Mr Nick Pavitt
Chair of Trustees

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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 (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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 or to cease operations, or have no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Daniel Aldworth (Senior statutory auditor)

for and on behalf of

Griffin Chapman

Chartered Accountants
Statutory Auditors

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

7 December 2018

THE SIGMA TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SIGMA TRUST 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 & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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:

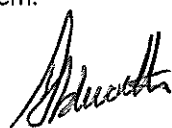
- a) Obtaining a sufficient understanding of the framework of authorities which apply to the academy.
- b) Understanding the system of internal control to secure compliance with the framework of authorities.
- c) Considering the basis upon which the Accounting Officer is able to make statements on regularity, 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 regularity, propriety and compliance.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SIGMA TRUST AND THE EDUCATION FUNDING AGENCY (continued)

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 2017 to 31 August 2018 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:

7 December 2018

THE SIGMA TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**


	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer in of existing academies	2	-	-	-	-	35,377,962
Other donations and capital grants	2	32,577	-	6,798,429	6,831,006	5,250,601
Charitable activities	3	-	33,749,141	-	33,749,141	29,440,490
Other trading activities	4	318,361	2,091,182	-	2,409,543	1,776,490
Investments	5	14,008	15	-	14,023	9,821
TOTAL INCOME		364,946	35,840,338	6,798,429	43,003,713	71,855,364
EXPENDITURE ON:						
Charitable activities		24,296	37,756,268	1,642,081	39,422,645	34,740,120
TOTAL EXPENDITURE	6	24,296	37,756,268	1,642,081	39,422,645	34,740,120
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	340,650 (504,076)	(1,915,930) 163,529	5,156,348 340,547	3,581,068 -	37,115,244 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(163,426)	(1,752,401)	5,496,895	3,581,068	37,115,244
Actuarial gains on defined benefit pension schemes	24	-	3,950,000	-	3,950,000	1,739,000
NET MOVEMENT IN FUNDS		(163,426)	2,197,599	5,496,895	7,531,068	38,854,244
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,446,997	(17,168,982)	50,438,024	36,716,039	(2,138,205)
TOTAL FUNDS CARRIED FORWARD		3,283,571	(14,971,383)	55,934,919	44,247,107	36,716,039

THE SIGMA TRUST
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REGISTERED NUMBER: 07926573

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		54,086,032		48,931,541
CURRENT ASSETS					
Stocks	16	26,773		22,492	
Debtors	17	1,685,577		1,633,578	
Cash at bank and in hand		8,824,391		7,985,468	
		<u>10,536,741</u>		<u>9,641,538</u>	
CREDITORS: amounts falling due within one year	18	(3,445,666)		(2,592,040)	
NET CURRENT ASSETS			<u>7,091,075</u>		<u>7,049,498</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>61,177,107</u>		<u>55,981,039</u>
Defined benefit pension scheme liability	24		<u>(16,930,000)</u>		<u>(19,265,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>44,247,107</u></u>		<u><u>36,716,039</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	1,958,617		2,096,018	
Restricted fixed asset funds	19	55,934,919		50,438,024	
		<u>57,893,536</u>		<u>52,534,042</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(16,930,000)</u>		<u>(19,265,000)</u>	
Total restricted income funds			<u>40,963,536</u>		<u>33,269,042</u>
Unrestricted income funds	19		<u>3,283,571</u>		<u>3,446,997</u>
TOTAL FUNDS			<u><u>44,247,107</u></u>		<u><u>36,716,039</u></u>

The financial statements on pages 31 to 61 were approved by the Trustees, and authorised for issue, on 5 December 18 and are signed on their behalf, by:

.....

Nick Pavitt
Chair of Trustees

THE SIGMA TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>822,541</u>	<u>5,370,977</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		14,023	9,821
Purchase of tangible fixed assets		(6,803,321)	(4,713,921)
Capital grants from DfE Group		5,450,021	5,244,455
Capital funding received from sponsors and others		<u>1,348,909</u>	<u>-</u>
Net cash provided by investing activities		<u>9,632</u>	<u>540,355</u>
Proceeds on disposal of fixed assets		<u>6,750</u>	<u>-</u>
Net cash provided by financing activities		<u>6,750</u>	<u>-</u>
Change in cash and cash equivalents in the year		<u>838,923</u>	<u>5,911,332</u>
Cash and cash equivalents brought forward		<u>7,985,468</u>	<u>2,074,136</u>
Cash and cash equivalents carried forward	22	<u><u>8,824,391</u></u>	<u><u>7,985,468</u></u>

THE SIGMA TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2017 to 2018 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

THE SIGMA TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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.

THE SIGMA TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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
Furniture and fixtures	-	20 to 25% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	25 to 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 2018**

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.

THE SIGMA TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018**

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

THE SIGMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018. 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 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer of existing academies into the trust	-	-	-	-	35,377,962
Donations	32,577	-	1,348,409	1,380,986	(46,405,679)
Capital Grants	-	-	5,450,020	5,450,020	51,656,280
Subtotal	32,577	-	6,798,429	6,831,006	5,250,601
	32,577	-	6,798,429	6,831,006	40,628,563
<i>Total 2017</i>	<i>2,531,997</i>	<i>(13,559,714)</i>	<i>51,656,280</i>	<i>40,628,563</i>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	30,859,408	30,859,408	26,743,908
Other DfE/ESFA grants	-	2,251,844	2,251,844	1,846,306
	-	33,111,252	33,111,252	28,590,214
Other government grants				
Local authority and other funding	-	637,889	637,889	850,276
	-	637,889	637,889	850,276
Other funding				
	-	-	-	-
	-	33,749,141	33,749,141	29,440,490
<i>Total 2017</i>	<i>-</i>	<i>29,440,490</i>	<i>29,440,490</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	189,982	-	189,982	829,435
Music services income	-	25,458	25,458	26,956
Trip income	-	423,046	423,046	-
Catering income	-	758,058	758,058	763,271
Staff services consultancy	-	-	-	83,094
Other income	128,379	884,620	1,012,999	73,734
	<u>318,361</u>	<u>2,091,182</u>	<u>2,409,543</u>	<u>1,776,490</u>
<i>Total 2017</i>	<u>560,052</u>	<u>1,216,438</u>	<u>1,776,490</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - bank interest	14,008	15	14,023	9,821
	<u>9,761</u>	<u>60</u>	<u>9,821</u>	
<i>Total 2017</i>	<u>9,761</u>	<u>60</u>	<u>9,821</u>	

6.

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	21,963,235	1,228,394	3,325,597	26,517,226	23,923,545
Support costs	7,460,490	2,554,114	2,890,815	12,905,419	10,816,575
	<u>29,423,725</u>	<u>3,782,508</u>	<u>6,216,412</u>	<u>39,422,645</u>	<u>34,740,120</u>
<i>Total 2017</i>	<u>25,166,508</u>	<u>3,588,712</u>	<u>5,984,900</u>	<u>34,740,120</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	26,517,226	12,905,419	39,422,645	34,740,120
<i>Total 2017</i>	<u>23,923,545</u>	<u>10,816,575</u>	<u>34,740,120</u>	

Analysis of direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Teaching and educational support staff costs	259,880	259,880	160,244
Education supplies	1,121,868	1,121,868	1,037,392
Examination fees	412,878	412,878	371,459
Staff development	72,658	72,658	82,766
Educational consultancy	391,452	391,452	378,271
Other direct costs	221,116	221,116	150,924
Security and transport	93,604	93,604	48,479
ICT	338,454	338,454	290,824
Loss on disposal	3,338	3,338	-
Depreciation	1,638,743	1,638,743	2,298,558
Wages and salaries	17,858,432	17,858,432	15,549,992
National insurance	1,712,555	1,712,555	1,472,535
Pension cost	2,392,248	2,392,248	2,082,101
	<u>26,517,226</u>	<u>26,517,226</u>	<u>23,923,545</u>
<i>At 31 August 2017</i>	<u>23,923,545</u>	<u>23,923,545</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational operations £	Total 2018 £	Total 2017 £
Pension finance cost	482,000	482,000	358,000
Staff costs	7,460,490	7,460,490	6,061,880
Recruitment and support	34,962	34,962	55,758
Maintenance of premises and equipment	1,886,175	1,886,175	1,773,645
Cleaning	107,926	107,926	120,474
Rent and rates	192,671	192,671	190,098
Insurance	150,045	150,045	128,141
Security and transport	83,402	83,402	99,826
Catering	686,047	686,047	508,346
ICT	211,409	211,409	205,515
Utilities	605,724	605,724	499,556
Bank interest and charges	4,034	4,034	1,979
Other support costs	951,640	951,640	754,857
Audit and accountancy	48,894	48,894	58,500
	<u>12,905,419</u>	<u>12,905,419</u>	<u>10,816,575</u>
<i>At 31 August 2017</i>	<u>10,816,575</u>	<u>10,816,575</u>	

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Compensation payments	4,400	-	None

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,638,742	1,395,716
Loss on disposal of fixed assets	3,338	902,843
Auditor's remuneration - audit	30,600	34,500
Auditor's remuneration - other services	18,294	24,000
Operating lease rentals	103,534	77,529
	<u>1,794,508</u>	<u>2,434,588</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	22,053,916	18,976,470
Social security costs	2,029,594	1,730,867
Operating costs of defined benefit pension schemes	4,783,758	3,967,797
	<u>28,867,268</u>	<u>24,675,134</u>
Redundancy/termination payments	182,541	85,583
Supply teacher costs	373,916	405,791
	<u>29,423,725</u>	<u>25,166,508</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	144,238	-
Severance payments	38,303	-
	<u>182,541</u>	<u>-</u>

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

Included in redundancy/termination costs is one non-statutory/non-contractual severance payment of £211 (2017 £1,800).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	409	397
Administration and support	509	526
Management	12	31
	<u>930</u>	<u>954</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	371	357
Administration and support	358	371
Management	12	31

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS (continued)

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The management staff number has reduced following the formation of the MAT's central services function.

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	18	13
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	4	4
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	0
In the band £110,000 - £120,000	0	1
In the band £120,000 - £130,000	1	0

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,284,198 (2017: £889,132).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 3% (2017: 2%) of the General Annual Grant (excluding Bursary and PFI income but including LA growth funding).

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Clacton County High School	267,208	165,684
St Helena School	140,056	93,832
Harwich and Dovercourt High School	176,868	32,160
Monkwick Infants School	29,519	22,710
Monkwick Junior School	30,567	19,585
The Stanway School	166,056	108,508
Thomas Lord Audley School	123,408	82,355
	<u>933,682</u>	<u>524,834</u>
Total		

12. TRUSTEES' REMUNERATION AND EXPENSES

The highest paid Trustee received remuneration of £120,473 (2017 - £117,780).

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer 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:

	2018 £'000	2017 £'000
Jeff Brindle, Chief Executive Officer		
Remuneration	120-125	115-120
Pension contributions paid	25-30	15-20
Carol Carlsson Browne - Staff Trustee (for NETT employment - salary £1,815)		
Remuneration	0-5	

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £359 (2017 - £NIL) were reimbursed to 2 Trustees (2017 - Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. OTHER FINANCE INCOME/COST

	2018 £	2017 £
Interest on pension scheme liabilities	<u>(482,000)</u>	<u>(358,000)</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £
Cost / valuation					
At 1 September 2017	45,507,845	13,184	560,507	1,156,879	3,402,797
Additions	5,345,486	-	229,779	118,478	1,109,578
Disposals	-	-	-	(27,321)	-
Transfer between classes	4,202,788	-	-	82,683	(4,285,471)
At 31 August 2018	<u>55,056,119</u>	<u>13,184</u>	<u>790,286</u>	<u>1,330,719</u>	<u>226,904</u>
Depreciation					
At 1 September 2017	904,723	3,296	146,494	655,158	-
Charge for the year	1,228,394	3,296	95,653	311,399	-
On disposals	-	-	-	(17,233)	-
At 31 August 2018	<u>2,133,117</u>	<u>6,592</u>	<u>242,147</u>	<u>949,324</u>	<u>-</u>
Net book value					
At 31 August 2018	<u>52,923,002</u>	<u>6,592</u>	<u>548,139</u>	<u>381,395</u>	<u>226,904</u>
At 31 August 2017	<u>44,603,122</u>	<u>9,888</u>	<u>414,013</u>	<u>501,721</u>	<u>3,402,797</u>

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

	Total £
Cost / valuation	
At 1 September 2017	50,641,212
Additions	6,803,321
Disposals	(27,321)
Transfer between classes	-
	<u>57,417,212</u>
At 31 August 2018	<u>57,417,212</u>
Depreciation	
At 1 September 2017	1,709,671
Charge for the year	1,638,742
On disposals	(17,233)
	<u>3,331,180</u>
At 31 August 2018	<u>3,331,180</u>
Net book value	
At 31 August 2018	<u>54,086,032</u>
At 31 August 2017	<u>48,931,541</u>

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

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

16. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	<u>26,773</u>	<u>22,492</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors	41,795	34,107
Due within one year		
Trade debtors	100,704	92,667
VAT recoverable	351,500	385,998
Accrued income	754,483	677,069
Prepayments	437,095	443,737
	<u>1,685,577</u>	<u>1,633,578</u>

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,306,588	627,034
Other taxation and social security	519,900	422,648
Other creditors	489,626	710,168
Accruals and deferred income	1,129,552	832,190
	<u>3,445,666</u>	<u>2,592,040</u>
Deferred income		
Deferred income at 1 September 2017	399,084	163,339
Resources deferred during the year	481,336	399,084
Amounts released from previous years	(399,084)	(163,339)
Deferred income at 31 August 2018	<u>481,336</u>	<u>399,084</u>

At the balance sheet date the academy trust was holding deferred income relating to trip & catering income received in advance and funding received in advance relating to the year commencing on 1 September 2018.

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19. STATEMENT OF FUNDS

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

During the year £340,547 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 Trust are designating £20,000 per annum across 10 years towards the future replacement of the Multi Use Games Area - MUGA - at Stanway School.

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

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

Pupil Premium restricted fund represents funding received and related expenditure.

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

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

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 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Clacton County High School	1,370,164	1,625,230
St Helena School	937,280	820,836
Harwich and Dovercourt High School	918,237	900,440
Monkwick Infants School	528,694	504,269
Monkwick Junior School	99,796	56,119
The Stanway School	1,219,172	1,243,613
Thomas Lord Audley School	21,124	109,334
The Sigma Trust Central Services	22,626	201,455
North Essex Teacher Training	125,095	81,719
Total before fixed asset fund and pension reserve	5,242,188	5,543,015
Restricted fixed asset fund	55,934,919	50,438,024
Pension reserve	(16,930,000)	(19,265,000)
Total	44,247,107	36,716,039

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2018 £	Total 2017 £
Clacton County High School	5,582,921	1,295,741	182,154	2,720,515	9,781,331	9,487,293
St Helena School	3,011,612	1,297,634	128,164	877,147	5,314,557	5,792,680
Harwich and Dovercourt High School	4,036,839	1,433,627	213,900	1,090,640	6,775,006	1,712,686
Monkwick Infants School	948,148	348,961	35,213	207,852	1,540,174	1,494,842
Monkwick Junior School	768,202	243,558	38,578	192,708	1,243,046	1,262,760
The Stanway School	3,972,094	1,080,564	318,435	880,111	6,251,204	6,838,926
Thomas Lord Audley School	3,043,078	1,102,320	193,615	660,074	4,999,087	5,005,653
Sigma Central Services	272,779	596,575	5,903	420,723	1,295,980	543,015
North Essex Teacher Training	327,562	61,510	9,357	181,750	580,179	303,701
	<u>21,963,235</u>	<u>7,460,490</u>	<u>1,125,319</u>	<u>7,231,520</u>	<u>37,780,564</u>	<u>32,441,556</u>

Harwich and Dovercourt High School joined the trust on 1 June 2017 and the 2017 comparative is for three months expenditure to 31 August 2017.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	900,749	3,101,810	(16,842)	(538,720)	-	3,446,997

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

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 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>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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 2018**

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	3,581,068	37,115,244
Adjustment for:		
Depreciation charges	1,638,742	1,395,716
Dividends, interest and rents from investments	(14,023)	(9,821)
Loss on the sale of fixed assets	3,337	902,843
Increase in stocks	(4,281)	(22,492)
Increase in debtors	(51,999)	(1,417,467)
Increase in creditors	853,626	1,847,366
Capital grants from DfE and other capital income	(6,798,929)	(5,244,455)
Defined benefit pension scheme cost less contributions payable	1,133,000	918,000
Defined benefit pension scheme finance cost	482,000	358,000
Transfer on academies joining the trust	-	(35,377,962)
Reserves transferred on academies joining the trust	-	4,906,005
Net cash provided by operating activities	822,541	5,370,977

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	8,824,391	7,985,468
Total	8,824,391	7,985,468

23. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	206,386	4,188,698

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 £464,474 were payable to the schemes at 31 August 2018 (2017 - £360,162) and are included within creditors.

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

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

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

The employer's pension costs paid to TPS in the period amounted to £2,392,248 (2017 - £2,090,741).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,627,000 (2017 - £1,258,000), of

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24. PENSION COMMITMENTS (continued)

which employer's contributions totalled £1,266,000 (2017 - £970,000) and employees' contributions totalled £361,000 (2017 - £288,000). The agreed contribution rates for future years are 19.7%-22.9% 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	30,166,000	30,311,000
Discount rate -0.1%	31,619,000	31,753,000
Mortality assumption - 1 year increase	31,918,000	32,057,000
Mortality assumption - 1 year decrease	29,886,000	30,022,000
CPI rate +0.1%	31,249,000	31,615,000
CPI rate -0.1%	30,529,000	30,445,000

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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	8,884,000	7,667,000
Alternative assets and other managed funds	1,789,000	1,396,000
Corporate bonds	816,000	459,000
Gilts	-	-
Property	1,245,000	1,140,000
Gilts	746,000	733,000
Cash	475,000	363,000
Total market value of assets	<u>13,955,000</u>	<u>11,758,000</u>

The actual return on scheme assets was £778,000 (2017 - £1,168,000).

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

	2018 £	2017 £
Current service cost	(2,391,510)	(1,885,696)
Net interest cost	(482,000)	(358,000)
Administration expenses	(5,000)	(1,000)
Total	<u>(2,878,510)</u>	<u>(2,244,696)</u>
Actual return on scheme assets	<u>778,000</u>	<u>1,168,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	30,822,490	6,203,474
Transferred in on existing academies joining the trust	-	22,714,320
Current service cost	2,391,510	1,885,696
Interest cost	806,000	488,000
Employee contributions	361,000	288,000
Actuarial gains	(3,496,000)	(757,000)
Closing defined benefit obligation	<u>30,885,000</u>	<u>30,822,490</u>

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24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	11,557,490	1,656,474
Transferred in on existing academies joining the trust	-	7,533,320
Interest income	324,000	130,000
Actuarial losses	454,000	982,000
Employer contributions	1,263,510	967,696
Employee contributions	361,000	288,000
Administration expenses	(5,000)	-
	<u>13,955,000</u>	<u>11,557,490</u>
Closing fair value of scheme assets	<u>13,955,000</u>	<u>11,557,490</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	89,913	74,610
Between 1 and 5 years	225,552	220,632
After more than 5 years	78,895	127,037
	<u>394,360</u>	<u>422,279</u>
Total	<u>394,360</u>	<u>422,279</u>

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 £1,578,064 (2017 : £1,518,859).

The liability from school revenue towards this figure for the year ended 31 August 2019 will be £941,920. 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.

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28. RELATED PARTY TRANSACTIONS

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

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

During the year, a number of close family members of trustees or key management were remunerated in respect of services they provided undertaking their roles as staff members under their contracts of employment. The individual concerned were:

- Mrs E Markham, wife of the Chief Operation Officer, employed as a part time HLTA up to April 2018 on local government band 4.
- Ms A Spillane, daughter of J Tomkins, Chief Finance Officer, employed as a teacher on grade M2 from 1 July 2018.

During the year, the trust also made purchases from Printing for Pleasure, a company owned by the brother of S Holder, an SMT member. These purchases totalled £351 (2017: £498) across the trust for the year ended 31 August 2018. No amounts were outstanding at the year end.

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

29. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2018 the trust received £46,232 bursary funding. £46,170 was disbursed from the fund. An amount of £24,874 (2017: £24,812) is included in accruals and deferred income relating to undistributed funds that are repayable to ESFA.

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 2018 bursary funding of £304,000 (2017: £431,000) was received and £283,600 (2017: £381,600) was distributed. The balance of £20,400 (2017: £49,400) is included in other creditors.