

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



THE SIGMA TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 23
Governance statement	24 - 28
Statement on regularity, propriety and compliance	29
Statement of Trustees' responsibilities	30
Independent auditors' report on the financial statements	31 - 33
Independent reporting accountant's report on regularity	34 - 35
Statement of financial activities incorporating income and expenditure account	36 - 37
Balance sheet	38 - 39
Statement of cash flows	40
Notes to the financial statements	41 - 82

THE SIGMA TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Richard Moodey Nick Pavitt Brian Palmer Sara Cullis (resigned 22 June 2020) Andrew Smith (resigned 17 June 2020) Bharat Parmar (appointed 30 September 2020) Stephen Ling (appointed 30 September 2020)
Trustees	Nick Pavitt, Chair of Trustees ³ Bharat Parmar (resigned 30 September 2020) ² Kay Maddox-Daines ² Clive Bull ¹ Steve McGrath, Vice Chair, Chair of Audit & Risk Committee ^{1,2} Adrian Leggett, Chair of Finance Committee ^{1,3} Jeff Brindle, Chief Executive Officer and Accounting Officer (resigned 31 August 2020) ^{1,3} Sue Hammond ^{2,3} Stephen Wyatt, Chair of Standards Committee ³ Carol Carlsson Browne ^{1,3} Bradley Powell ^{1,2} Lyn Wright, Chief Executive Officer and Accounting Officer (appointed 1 September 2020) ¹ Finance Committee ² Audit and Risk Committee ³ Standards Committee
Company registered number	07926573
Company name	The Sigma Trust
Registered office	Clacton County High School 51 Walton Road Clacton On Sea Essex CO15 6DZ
Principal operating office	Tendring Education Centre Jaywick Lane Clacton On Sea Essex CO16 8BE
Company secretary	Sharon Burns
Chief Executive Officer	Lyn Wright

THE SIGMA TRUST
(A company limited by guarantee)

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

Senior management team

(Executive Committee) Neil Gallagher, Executive Headteacher, Sigma Sixth Tendring
Scott Holder, Director of Education, Executive Headteacher
Brian Markham, Chief Operations & Finance Officer
Lyn Wright, Deputy CEO (until 31/08/20),
CEO, Accounting Officer (from 01/09/20)
Jeff Brindle, CEO, Accounting Officer (until 31/08/20),
Trust Development Officer (from 01/09/20)
Alison Rudd, Assistant Director of Education (from 01/09/2019)
Dr Sara Alix, Programme Director for North Essex Teacher Training (from 01/09/20)

Independent auditors

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

Bankers

Lloyds Bank
27 High Street
Colchester
Essex
CO1 1DU

Solicitors

Eversheds Sutherland
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

THE SIGMA TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1st September 2019 to 31st August 2020. The Annual Report serves the purpose of both a Trustees' report, and a directors' report under company law.

As at 31st August 2020, the Trust operated four primary academies, of which one includes nursery provision, eight secondary academies, four of which offer post 16 provision. All academies, including those who joined the Trust in the 2020 financial year, serve a catchment area in the Colchester and Tendring locality. The Trust has a combined net Pupil Capacity of 12,938 which is an increase of 785 (2019), and had a number on roll of 10,660 in the Autumn 2020 census an increase of 336 in addition to the increase of 869 from the two rebrokered schools, from the number on roll of 9,455 in 2019.

The Sigma Trust academies are:

- Alton Park Junior School ~ 7-11 provision ~ Rebrokered in October 2019
- Clacton County High School ~ 11-18 provision
- The Colne Community School and College ~ 11-18 provision rebrokered in January 2019
- Harwich and Dovercourt High School ~ 11-18 provision ~ Rebrokered in June 2017
- Holland Park Primary School ~ 4-11 provision ~ Rebrokered in October 2019
- Monkwick Infant & Nursery School ~ 2-7 provision (Including Nursery)
- Monkwick Junior School ~ 7-11 provision
- Paxman Academy, Free School ~ 11-16 Provision ~ Free School opened September 2019
- Philip Morant School and College ~ 11-18 provision ~ rebrokered in January 2019
- St Helena School ~ 11-16 provision
- The Stanway School ~ 11-16 provision
- The Thomas Lord Audley School ~ 11-16 provision

The Sigma Trust is also the legal entity for the North Essex Teacher Training, an initial teacher training scheme. In the 2019-2020 financial year the scheme trained 35 teachers within the Secondary phase and 33 teachers in the Primary phase.

Structure, Governance and Management

Constitution

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

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

The Sigma Trust trading institutions are:

- Alton Park Junior School
- Clacton County High School
- Colne Community School and College
- Harwich and Dovercourt High School
- Holland Park Primary School
- Monkwick Infant & Nursery School
- Monkwick Junior School
- Paxman Academy
- Philip Morant School and College
- St Helena School
- The Stanway School
- The Thomas Lord Audley School

THE SIGMA TRUST
(A company limited by guarantee)

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

- North Essex Teacher Training (NETT)

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

The Sigma Trust has established Local Governance Committees (LGCs) and each LGC 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 had three Members as at 31st August 2020 and these positions are filled by the original appointments at the establishment of the Trust. Two new members were appointed in September 2020 following two resignations of founding Members in June 2020. 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.

The Members meet at least twice per year to receive Trust updates from the CEO. The Members also hold and attend the Annual General Meeting (AGM) in December to receive the Financial Statements and Trustees Report.

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

THE SIGMA TRUST
(A company limited by guarantee)

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

appropriate skills required are evident during this process.

The Trustees have established Local Governance Committees (LGCs) 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 LGCs) to whom the Trustees may delegate certain functions of the Trustees. The composition of the LGC shall be agreed between the Trust and the Local Governance Committee but shall include:

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

The first LGC will be established by the Board of Trustees. Thereafter each LGC will propose future members, subject to formal appointment by the Trustees, delegated to the CEO. Whilst each LGC 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 LGC members.

The Trustees shall have the right (but shall not be required) to direct that any one member or all members of the LGC resign their post(s). Every individual LGC 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 LGC members.

The Trustees will appoint the Chair of each LGC for an initial period of three years. Members of LGCs are appointed for a three-year term in the first instance. Thereafter, a member may put themselves forward for reappointment. This will be subject to the agreement of the Trustees and delegated to the CEO for approval.

Policies and Procedures Adopted for the Induction and Training of Trustees and LGC members

New Trustees attend an induction meeting with the CEO and Chair of the Trustees to understand the role and expectations to support and challenge the Trust. All Trustees undertake training as appropriate to their work at the Trust and the relevant responsibility of which they may undertake. For the academic year 2019-20 afternoon training/development sessions were scheduled to be carried out after every Trustees' meeting to carry out strategic training specific to the role of Trustees within the Trust. Additionally, a plan of training was organised for Local Governance Committees with Trustees invited based on feedback from the Chairs of LGCs, however due to the Covid-19 pandemic much of the training was not carried out and has been scheduled for 2020-21.

The Chair of the Trustees meets termly with LGC Chairs to share best practice, arrange relevant collaborative Trust training sessions and share relevant information and views for both LGCs and Trustees.

Organisational Structure

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

The Trustees have established a clear structure to delegate strategic and operational management to the newly appointed Trust's Chief Executive Officer. The CEO is supported directly by a senior team of five, a Chief Operations & Finance Officer, a Director of Education an Assistant Director of Education, a Trust Development Officer and the Trust PA. Day to day management of the academies is delegated to the Headteachers, and the management of the Teacher Training Scheme is delegated to the Programme Director for North Essex Teacher Training.

The CEO is the Trust Accounting Officer and has overall responsibility for the appropriate use of the Trust's funding. The Executive Committee, which consists of the Headteachers of each academy, the Primary

THE SIGMA TRUST
(A company limited by guarantee)

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

Executive Lead, COFO and Trust PA, meets monthly with the CEO and addresses both day to day and strategic planning to ensure the Trust can achieve the Trust's Strategic Improvement Plan. The CEO has responsibility for ensuring the Trust's Strategic Improvement Plan is delivered and that the Trust's Plan is embedded within each individual academy's Strategic Improvement Plans.

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

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

During the financial year, the Covid 19 Pandemic had an unprecedented impact on the outcome of the Trust's Improvement plan and this led to the need for a Covid response strand to be imbedded across all 9 areas. These Covid response and recovery actions will continue to have a major impact on the direction of the Trust and will absorb a significant amount of financial and personnel resources over the future period.

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

Academy expenditure is managed in line with the Finance Regulations and the approved budget.

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

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

During the Covid 19 Pandemic, we have followed the DFE guidance on full opening of schools which includes the requirements to ensure that all pay progression for teachers is linked to performance management and to take pragmatic steps to adapt performance management and appraisal arrangements to take account of the current circumstances. All teachers and leaders have a performance management meeting (either face-to-face

THE SIGMA TRUST
(A company limited by guarantee)

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

or online) which will review the previous year's performance and agree objectives for the coming year. In order to meet the DFE requirement that teachers are not penalised during the appraisal process or in respect of any subsequent pay progression decisions as a result of the decision to close schools in March, all teachers and leaders who are eligible for progression to the next point on their current pay scale will be progressed with effect from 1st September 2020. For support staff, if PMR targets were set before schools closed in March, these will be adjusted if necessary to reflect the summer term closure. If targets were not set, a PMR meeting will be held to set targets for the remainder of the support staff performance cycle which runs to 31st March 2021. We hope to be able to review support staff performance and pay in March 2021 in line with usual processes.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
21	14.7

Percentage spent on facility time

Percentage of time	Number of employees
0%	13
1% -50%	8
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£10,616
Total pay bill	£51,377,823
Percentage of total pay bill spent on facility time	0.020%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	10.2%
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Connected Organisations, including Related Party Relationships

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

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

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

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

THE SIGMA TRUST
(A company limited by guarantee)

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

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 Trust subscribes to The Confederation of School Trusts (CST). CST is a national organisation and sector body for school trusts in England advocating for, connecting and supporting executive and governance leaders within the Education setting.

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

The Trust works in collaboration with the Learning Pathways Academy Trust for the provision of primary school improvement and executive leadership support at the Trust's Primary Schools. The CEO of Learning Pathways Academy Trust, Andrew Smith, was a Member of Sigma and due to this connection, all services provided by LPAT are either provided to Sigma at cost or at nil cost.

Employee Involvement (Engagement with employees)

The Sigma Trust 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 Members and the Trustees and the Trustees and the LGCs.

The Headteachers of all the Trust's academies meet monthly with the central team to ensure all strategic and operational activities are communicated effectively and each academy has sufficient structures to ensure effective school improvement and communication takes place.

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.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Sigma Trust undertakes continuous reviews and communication with all suppliers, partners and community stakeholders. The Trustees adopted Vision and Values ensure that integrity, accountability and respect is fostered in all our objectives and activities. The Trust selects suppliers predominantly from Government frameworks, known education and public sector suppliers or via recommendations from other likeminded Trusts. To ensure the Trust maintains integrity robust procurement procedures have been adopted and reviews completed by the internal and external auditors.

The Trust maintains strong business relationships with the local councils, local authority and the Regional Schools Commissioners Office, as well as other local and regional education providers and Multi academy

THE SIGMA TRUST
(A company limited by guarantee)

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

Trusts.

The Trust ensures, via the Executive Team, that individual schools provide appropriate mediums for communication with staff, parents and students, via letters, websites, face to face communication and other literature such as progress reports and parent communication evenings.

Objectives and Activities

Objects and Aims

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

Mission

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

The mission for each academy within The Sigma Trust is to ensure that no child is left behind.

Education should foster in its learners a curiosity to discover who they are and what they are capable of, together with developing the resilience for them to test the boundaries of their abilities, and build the skills necessary to face the future with confidence.

Vision

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

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

Values

The Sigma Trust values the following attributes:

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

Objectives, Strategies and Activities

Our main objectives and success criteria for this period were established in our 2019/20 Development plan, and were as follows:

THE SIGMA TRUST
(A company limited by guarantee)

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

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"> • Implement clear statements of intent across all schools • Ensure the curriculum at all key stages is enriched • Implement partial blocked timetabling and introduce collaborative arrangements at KS4 to widen choice. • Ensure KS3 curriculum in all schools prepares students for the target of 75% being entered for EBacc • Work with NEETSA TSA to ensure staff access to Teacher Subject Specialism Training (TSST) courses 	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"> • Extend Strategic Lead role to incorporate primary as well as secondary curriculum to strengthen and broaden the curriculum • Review the curriculum and assessment procedures to evaluate the impact. • Ensure all curriculum subjects evidence high standards of English and Maths skills and developing a natural curiosity of the world around them. • Pupils are able to use a range of meta-cognition skills to evaluate their learning and identify their next steps 	All Foundation subjects are fully covered and pupils progress is monitored effectively
To continue to drive up levels of attendance and reduce persistent absence	<ul style="list-style-type: none"> • Develop the role of Assistant Director of Education - Student Support to have oversight of attendance • Ensure best practice in relation to improving attendance is shared and implemented across all schools • Attendance Solutions to work across all Trust schools. 	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"> • Develop the role of Assistant Director of Education - Student Support to manage all exclusions, referrals and managed moves in Sigma schools • Ensure the Pupil Tracker is kept up to date and clearly indicates the reasons for removal from school to ensure effective safeguarding • Pilot a secondary GROW in Colchester to develop a more inclusive approach for identified pupils 	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"> • Review outcomes from exams and identify appropriate areas for intervention. • Consistently identify groups of students that are underachieving in all schools • LABS panels, or equivalent, to have a high profile and occur regularly in all schools • Implement findings from Pupil Premium reviews. 	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 • Increase the proportion of students achieving Expected Outcomes and working at Greater Depth in primary schools. 	English and Maths attainment is at least in line with national average measures.

THE SIGMA TRUST
(A company limited by guarantee)

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

Strategic Intent	Core Objectives	Success Criteria
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. • Plan to relocate the Sixth Form at CCHS to the TEC site and to become the main hub for Sigma academies in Tendring • Identify any satellite provision at Harwich and Colne • Appoint key staff to lead the new centre • Plan similar provision at Philip Morant as a Sigma Sixth Form Centre 	Sixth Form provision across the Trust is highly regarded, financially viable and achieves strong outcomes for students
To ensure that leadership is effective and with sufficient capacity to drive forward improvements in all academies and within the central team	<ul style="list-style-type: none"> • Appoint a Trust Data Manager to the central team to work to the Director of Standards to ensure all data is consistent across Sigma • Roll out talent management strategies to ensure succession planning is firmly in place. • Further enhance and extend the role of Strategic Leads • Exploit the new Civica HR software to monitor staff sickness absence and other data 	The Sigma Trust has the capacity to support existing schools and possible further expansion and leadership is strong in all academies.
To continue to develop in all schools how pupils are prepared for future success in education, employment and training	<ul style="list-style-type: none"> • Enhance the Post 16 offer for all Sigma students by developing Sigma Sixth as alternative to existing provisions. • Ensure Gatsby Benchmarks are used to strengthen career provision and advice in schools for pupils. • Implement a Sigma wide Careers Fair based at TEC to widen the choices for all students and help to raise aspirations. • Ensure effective transition arrangements are in place at KS1 and 2 and are enhanced between Sigma schools 	Reduce NEET figures across Sigma schools. Increase Sixth Form intake in Tendring and Colchester Transition between different stages of education is highly effective.
To maximise recruitment on to initial teacher training programmes in order to provide all schools with a strong pool of NQTs	<ul style="list-style-type: none"> • Continue to expand and strengthen the provision at NETT. • All Sigma schools to take trainees from NETT • TeachFirst operational in all eligible schools. 	NETT has high levels of recruitment and is the provider of choice. All academies are able to recruit high quality NQTs.
To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan.	<ul style="list-style-type: none"> • Staff Deployment Analysis and similar benchmarking tools for support staff ensure further reductions in expenditure are achieved where necessary • Work with identified schools to ensure they have a strategy to achieve required level of reserves • Agree planned use of free reserves, particularly where linked to large building projects • Continue to improve the quality of the management accounts to Trustees 	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"> • Create full-day Trust Board meeting to ensure sufficient time is allocated given the growth in Sigma • Introduce Standards Committee to oversee school performance • Seek to recruit more Local Governors with an education background to serve on the newly named Local Governance Committees • Establish a joint LGC for Alton Park and Holland Park • introduce and review the new Headteacher's report format 	The Board of Trustees and each LGC has governors with the relevant levels of skills and expertise and with effective succession planning.

THE SIGMA TRUST
(A company limited by guarantee)

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

Strategic Intent	Core Objectives	Success Criteria
To create a Sigma wide approach to governance training and induction that ensures all Trustees and LGC members have the required skills and expertise	<ul style="list-style-type: none"> • Training programme extended to focus on core aspects of LGC work • Training programme for Trustees introduced into longer meetings • All Local Governors required to attend at least one training session per year in consultation with the Chair • Annual Leadership and Governance conference agreed 	LGC members have a greater understanding of their roles and responsibilities and are fully supported in their role.
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"> • Implement clear statements of intent across all schools • Ensure the curriculum at all key stages is enriched • Implement partial blocked timetabling and introduce collaborative arrangements at KS4 to widen choice. • Ensure KS3 curriculum in all schools prepares students for the target of 75% being entered for EBacc • Work with NEETSA TSA to ensure staff access to Teacher Subject Specialism Training (TSST) courses 	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"> • Extend Strategic Lead role to incorporate primary as well as secondary curriculum to strengthen and broaden the curriculum • Review the curriculum and assessment procedures to evaluate the impact. • Ensure all curriculum subjects evidence high standards of English and Maths skills and developing a natural curiosity of the world around them. • Pupils are able to use a range of meta-cognition skills to evaluate their learning and identify their next steps 	All Foundation subjects are fully covered and pupils progress is monitored effectively

Public Benefit

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

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

THE SIGMA TRUST
(A company limited by guarantee)

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

Achievements and Performance

- The Thomas Lord Audley School received an Ofsted Good outcome
- The successful appointment of CEO Designate, with full appointment to commence 1st September 2020
- Appointment of Assistant Director of Education in September 2019
- Appointment of a new Director of NETT
- Successful re-brokerage of Alton Park Junior School and Holland Park Primary School into the Trust on 1st October 2019.
- External independent Pupil Premium Reviews completed for all Trust Academies.
- Successful relocation of 300 post 16-students to the newly identified 'Sigma Sixth' off-site provision agreed by the RSC and Essex County Council.
- Full Plans approved by the Regional Schools Commissioner and Essex County Council for the expansion of Clacton County High School.
- Second successive year of full subscription to the Paxman Academy free school
- Establishment of a pilot 'Secondary Grow' unit funded by ECC for the academic year 2020-21.
- Provided on-site learning and care for vulnerable and key worker students during the Covid 19 national lockdown.
- Provided home learning provisions for all students within the Sigma community during the Covid 19 national lockdown.
- Ensured all Sigma students, staff and establishments were safe and Covid secure for the partial opening of school and for the full opening in September.
- Produced over 6000 pieces of PPE for the national Covid 19 shortage and donated 1000 of pieces of PPE from our Science and Technology departments for the Essex County Council PPE initiative.
- Established safe, secure and accessible home learning procedures were able to be delivered by Staff and accessible by Students.
- Successful completion of the £1.7M Science department refurbishment at the Harwich & Dovercourt High School.
- Successful completion of the £850k refurbishment of the Food Technology and Music departments at the Philip Morant School & College.

Key Performance Indicators

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

Primary Academy KPIs

	Monkwick Junior School	Monkwick Infant & Nursery School	Alton Park Junior School	Holland Park Primary School
Joined Sigma	Sep-16	Sep-16	Oct-19	Oct-19
Type	Re-brokered	Converter	Re-brokered	Re-brokered
Age range	7-11	2-7	7-11	4-11
Ofsted grade	Requires improvement Good - Personal Development, Behaviour and Welfare	Good	No current report Predecessor - inadequate	No current report Predecessor - Requires Improvement
Date of inspection	Jul-18	Jun-19	Feb-19	Jan-19

Due to the Covid-19 Pandemic no student performance data was obtained for this academic year and no primary age child undertook any national testing.

THE SIGMA TRUST
(A company limited by guarantee)

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

Secondary Academy KPIs

	National average	Clacton County High School		Harwich & Dovercourt High School		St Helena School		The Stanway School	
Joined Sigma		Sep-16		Jun-17		Sep-16		Sep-16	
Type		Converter		Re-brokered		Converter		Converter	
Age range		11-18		11-18		11-16		11-16	
Ofsted grade		Good Outstanding - Leadership, Post 16		No current report. Predecessor - Good		Good		Good	
Date of inspection		Sep-18		Jul-16		Dec-17		Mar-17	
Attendance	18/19	2018/19	2019/20 Autumn	2018/19	2019/20 Autumn	2018/19	2019/20 Autumn	2018/19	2019/20 Autumn
Average attendance	94.8%	95.00%	95.20%	93.75%	94.05%	95.10%	94.89%	95.20%	95.19%
Persistent absence	12.7%	10.7%	9.60%	17.4%	16.34%	13.60%	12.67%	8.80%	10.89%
KS2 prior attainment	18/19	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Ave. Pts. Score	28.7	27	28.1	28.1	28	28.4	28.6	29.2	28.6
KS4 outcomes	18/19	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Progress 8 - All	-0.03	0.29	0.38	-0.71	-0.11	-0.3	0.17	0.14	0.46
Attainment 8 - All	44.5	44	44.4	38	40	42.6	44.7	49.4	50.8
EBacc Ave. Pts.	3.86	3.2	4	3.1	3.9	3.58	3.8	4.25	4.8
EN & MA 5+	39.8%	22.90%	30.00%	25.8%	27.00	32.90%	42.00%	44.1%	55.1%

	Net Average	Thomas Lord Audley School		Colne Community School		Philip Morant School		Paxman Academy	
Joined Sigma		Sep-16		Jan-19		Jan-19		Sep-19	
Type		Converter		Re-brokered		Re-brokered		Free school	
Age range		11-16		11-18		11-18		11-16	
Ofsted grade		Good		No current report Predecessor - inadequate		No current report Predecessor - inadequate		N/A	
Date of inspection		Feb-20		May-18		May-18			
Attendance	18/19	2018/19	2019/20 Autumn	2018/19	2019/20 Autumn	2018/19	2019/20 Autumn	2018/19	2019/20 Autumn
Average attendance	94.8%	94.10%	93.83%	94.30%	93.53%	94.40%	94.30%	N/A	96.16%
Persistent Absence	12.7%	13.40%	16.27%	13.80%	16.48%	12.10%	15.09%	N/A	9.39%
KS2 Prior attainment	18/19	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Ave. Pts. Score	28.7	27.8	27.5	29.4	29.3	30.2	29.1	N/A	N/A
KS4 outcomes	18/19	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Progress 8 - All	-0.03	-0.16	0.27	-0.13	0.31	-0.03	0.37	N/A	N/A

THE SIGMA TRUST
(A company limited by guarantee)

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

	Net Average	Thomas Lord Audley School		Colne Community School		Philip Morant School		Paxman Academy	
Attainment 8 - All	44.5	41.5	41.7	47.8	48.9	49.2	49.5	N/A	N/A
EBacc Ave. Pts.	3.86	3.62	4.1	3.71	4.4	4.29	4.7	N/A	N/DA
EN & MA 5+	39.8%	39.60%	35.00%	45.30%	42.00%	50.70%	50.00%	N/A	N/A

Due to COVID 19 Pandemic there are no formal school outcomes or performance indicators for 2020. the listed figures are School Centered Assessed Grades using 2019 benchmarks.

Financial Key Performance Indicators	2016-2017	2017/2018	2018/2019	2019/2020
Total Income Per Pupil	£6,026	£6,011	£6,413	£6,214
GAG/Grant income per pupil	£4,864	£5,120	£5,368	£5,650
Staff costs as % total income	80.59%	77.83%	80.27%	83.91%
Staff Costs as % GAG/Grant Income	85.48%	91.38%	89.98%	88.01%
Staff costs as % total expenses	72.44%	73.98%	87.43%	76.73%
Teaching staff costs as % total staff costs	75.91%	68.72%	75.91%	74.19%
Cash as % total Income	21.89%	23.62%	21.89%	17.23%
Current assets to current liabilities ratio	3.72	3.04	3.72	2.65

Going Concern

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

Promoting the Success of the Company

The Trust has adopted a Mission statement along with our vision and values that are transparent and in line with the company's objectives. The Trust's values are disseminated across the entire organisation and embedded within all activities and decisions made by trustees, officers and employees. The Trust operates within the framework of openness and transparency and utilises data available from open sources such as the Trust's own websites, Companies House, Ofsted and financial and attainment data from the various .gov websites.

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 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31st August 2020, total expenditure of £67,081,855 was greater than recurrent grant funding from the ESFA and other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £4,751,195. This included the inherited pension deficits of the academies transferred in of £2,614,000. All expenditure has supported the objectives of the Academy Trust. The general restricted and unrestricted income reserves held at 31st August 2020 were £6,830,418. These reserves are held to support the Academy Trust's budget in times of reduced funding levels. The surplus for the year on restricted general funds (excluding pension) and unrestricted funds was £595,805, primarily due to funds received from academies transferred in.

THE SIGMA TRUST
(A company limited by guarantee)

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

At 31st August 2020 the net book value of fixed assets was £116,697,398 and movements in tangible and intangible fixed assets are shown in notes 15 and 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The balance sheet includes a liability of £40,972,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see note 29 for further details).

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

Following the re-brokerage of Alton Park Junior School and Holland Park Primary School on the 1st October 2019, the Trust received £1,190,948 of inherited funding, £5,477,059 of assets and a pension deficit of £2,614,000. As reported in last year's accounts, a successful bid was received for a £73,173 Emergency Fund, of which £63,000 was taken forward into this current financial year to support with the immediate interventions required at the Alton Park Junior School.

The Trust's School Condition Allocation for 2019-20 increased to c£2.4million due to the receipt of additional Capital funding from Central Government. This allowed the Trust to continue with its investment strategy into improving the quality of its estates and learning environments for our students. This year's significant projects included investment of c£820k into Philip Morant School, £250k in Thomas Lord Audley School and c£1.2M for Harwich & Dovercourt High School, The Stanway School's £850k upgrade canteen and kitchen project was completed along with enhancing security measures around the Trust. In addition to the SCA funding, the Trustees allocated just over £1M of central reserves to support the significant projects at both The Stanway School and Harwich & Dovercourt High School.

The Trust has a number of on-going and new projects working in partnership with Essex County Council to ensure sufficient student places are available in the Colchester and Tendring communities. As part of the development and growth of the new free school, Paxman Academy, we received part two of the agreed start-up grant payment profile for £145,800 ensuring the school is fully equipped for another full year of 180 students.

We have also continued to work on the expansion of Clacton County High School and relocation of its sixth form over to the Tendring Education Centre. Although the project is being managed and funded by Essex County Council, the Trust has received a furniture and fittings grant of £288,250 for the sixth form centre and £30,000 for the main school. These grants allowed for equipment purchasing for a sixth form up to 500 places and additional furniture for a 'bulge' year group into the main school at Year 7.

During the Covid 19 pandemic, the Trust followed the Government's advice and provided home learning options for all the students within the Trust. The Schools remained open for vulnerable and key worker students, including the running of Easter Holiday and May half term provisions. For students eligible for free school meals, the Trust obtained the services of Wonde up until the national free school meal programme with Edenred was established. The Trust implemented the recommendation of the Governments Procurement Policy Notes PPN02/20 and PPN 04/20 and ensured assessments were carried out for suppliers and contractors. Through this process the Trust identified 33 suppliers who were eligible for support under these frameworks. In addition to the PPN guidance the Trust also followed the Foreign & Commonwealth Office advice on travel with in excess of 100 trips being cancelled. Where possible we negotiated with providers to receive reimbursement or to rearrange trips for future dates. In the event that a provider was unable to support with these requests an insurance claim was made to the DfE's RPA scheme. To date the Trust has received £68,000 against these losses.

Within the framework for claiming of exceptional funding, we had five schools in scope at period 10 entitled to make additional Covid-19 support claims. These claims totalled £84,386, as at the end of October the Trust expected £72,153 of this funding with the remaining £12,232 going through additional checks by the ESFA.

THE SIGMA TRUST
(A company limited by guarantee)

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

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. The trustees have considered a minimum level of reserves to roughly equate to 5% of total GAG. Currently this is around £2.5 million.

In deciding the level of reserves in any financial year Trustees will consider the following:

- Short term impact of additional costs linked to addressing the Covid-19 Pandemic costs such as additional staffing, PPE, and other Covid secure adjustments
- Potential reduction in income due to fluctuation and variance in student numbers in the locality
- Reduction in Nursery placement uptake in Monkwick Infant & Nursery School
- Lower student transition or significant increases in the four 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 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 is holding free reserves of £6,830,418 of which £5,239,838 is an unrestricted general reserve fund. These funds were predominantly inherited on original transfer of schools into The Sigma Trust in 2016 or through the transfer of funds from rebrokered academies in subsequent years. In addition to this and as an outcome of the rebrokerage of the two schools from the Premier Learning Trust, the Trust inherited £996,456 of free reserves.

The reserves for the Trust have increased from £6,234,613 as at the 31st August 2019 to £6,830,418 as at the 31st August 2020 due to the re-brokerage of Alton Park Junior School and Holland Park Primary School. During the 2019-2020 financial year reserves have been used to undertake the following projects:

- A £500,000 contribution in the full refurbishment of the Science Faculty at the Harwich & Dovercourt High School.
- A £450,000 contribution in the upgrade of dining facilities and kitchen provision at The Stanway School
- £409,870 planned over staffing at Thomas Lord Audley School, Harwich & Dovercourt High School, Monkwick Infant & Nursery School and Alton Park Junior School to add capacity within the Trust or individual schools.

The Trustees continue to work on strategic plans for the following investment projects planned across the Trust in 2020-2021:

- 3 FE expansion at the Clacton County High School site
- 2 FE expansion at Colne Community School & College.
- Replacement of the Year 6 classroom relocatable units at the Holland Park Primary School
- Proposed sale of 'The Grange' property at Harwich and Dovercourt High School
- Continued improvements of the estates at The Thomas Lord Audley School, St Helena School and Philip Morant School
- Remodelling/re-construction of the gym at The Stanway School
- Continuation of roofing and mechanical infrastructure replacement across all Trust schools
- Investment in curriculum resources across the Trust
- Additional over staffing capacity in identified areas

THE SIGMA TRUST
(A company limited by guarantee)

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

The balance sheet includes a reserve of £40,972,000 in relation to the Trust's FRS 102 disclosure of the Local Government Pension Scheme (see pensions note for further details).

Investment Policy

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

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

Monies surplus to these requirements are invested in £1million deposits on a one-year fixed term account, rolling 3 monthly cycles.

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. Due to the current volatility of the bonds market, it is likely that this deficit will continue to increase despite the increased contribution levels.

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

- Planning for and maintaining a safe and high-quality learning experience for our staff and students during the Covid-19 Pandemic.
- 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 financial viability for 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.

The key controls used by the Trust include:

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

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

Fundraising

Many of the Trust academies undertake charity fundraising events led by the student bodies within their schools; these events can take many forms from, non-uniform days or fundraising for national events such as 'Red Nose Day' or BBC Children in Need. The monies are obtained from sponsorship from family and friends or donations directly made by the students and their families. All event contributions are voluntary and no students are

THE SIGMA TRUST
(A company limited by guarantee)

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

excluded from taking part in events by not contributing.

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

Due to the Covid -19 lockdown from March 2020 no fundraising took place after this period, these restrictions have continued in to the next accounting period and will impact on all fundraising opportunities for the foreseeable future.

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.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	11,847,007
Energy consumption break down (kWh)	
• gas	7,820,785
• electricity	3,938,736
• transport fuel	87,486
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	1,438.0
Owned transport - mini-buses	4.1
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	918.3
<u>Scope 3 emissions in metric tonnes</u>	
Business travel in employee owned vehicles	17.4
<u>Total gross emissions in metric tonnes CO2e</u>	2377.8
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.231

THE SIGMA TRUST
(A company limited by guarantee)

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

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Despite a temporary reduction in use due to the Covid-19 lockdown, the Trust is committed to reducing longer term emissions and this year has seen the implementation of the following energy efficiency measures:

- More efficient use of heating has been achieved with upgrades to heating controls. The building management system has been upgraded at 2 schools (Thomas Lord Audley School, Monkwick Junior School) and partially upgraded at Harwich and Dovercourt High School.
- The main plant room has been fully upgraded at the Thomas Lord Audley School and a full hot water system upgrade has taken place at Monkwick Junior School.
- Glazing has been replaced at Harwich and Dovercourt High School main gym and science block and to the main dining hall at The Stanway School, improving insulation.
- LED lighting has been installed during the refurbishments at 6 schools, reducing electrical demand (Thomas Lord Audley School, Harwich and Dovercourt School, Monkwick Junior School, Philip Morant School & College, The Stanway School and St Helena School).
- Natural & Mechanical Ventilation with Heat Recovery units have been installed at Philip Morant School & College along with new air conditioning units for the IT suites and music rooms.

Plans for Future Periods

The Board of Trustees has undertaken a full review of the needs of The Sigma Trust and its academies and have established the below Strategic Improvement Plan. Although the Trustees and Executive Team continue to aspire to deliver these objectives, the profound effect of the Covid-19 pandemic and the uncertainty around when the virus may lead to a normal operating phase, many of these objectives will be reviewed mid-year and adjusted to meet the circumstances during the period. The Trustees have been fully advised on the Executive Teams capacity to ensure that all schools remain a safe and Covid secure environment, and that a significant amount of capacity, good will and flexibility has been required to adapt working environments. The use of ICT and adaption of curriculum planning to ensure teaching and learning can continue to be delivered both on the schools' sites as well as from remote learning locations.

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"> • Review curriculum intent, implementation and impact in light of experience of new Ofsted framework. • Develop key specialist areas in each academy to ensure that sporting, creative and performance areas are given an equally high profile. • Review and adjust curriculum models as required in light of Covid to support students catch up on missed learning. 	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 implement agreed performance management policy and ensure that consistent standards are being applied in relation to the quality of teaching in all academies.	<ul style="list-style-type: none"> • Create a focus group to develop talent management across the Trust for a pilot group of teaching staff to ensure effective succession planning for 2021/22. • Develop and extend a Sigma Trust CPD offer for all staff. (Teaching Schools, Hubs, NETT, PiXL) 	Performance Management policy consistently implemented in all academies and linked to targeted CPD and talent management.

THE SIGMA TRUST
(A company limited by guarantee)

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

To enhance the quality of education in the classroom to ensure strong levels of engagement and high expectations	<ul style="list-style-type: none"> • Key focus on catch up, particularly for the most disadvantaged pupils. • Strategic Leads to develop "deep dive" reviews into identified subjects. • Curriculum planning adjusted and implemented in the classroom to support high quality learning which engages and closes the gap. 	Quality of Education is judged at least Good in all academies
To continue to drive up levels of attendance and reduce persistent absence	<ul style="list-style-type: none"> • Embed the role of Assistant Director of Education - Student Support to have oversight of attendance • Ensure best practice in relation to improving attendance is shared and implemented across all schools • Review relationship with Attendance Solutions and consider creating central attendance team. 	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"> • Implement Secondary GROW at The Stanway School site • Ensure the Pupil Tracker is kept up to date and clearly indicates the reasons for removal from school to ensure effective safeguarding. 	No permanent exclusions and fixed term exclusions well below national average linked to improved behaviour in all schools
To continue to raise attainment at all key stages	<ul style="list-style-type: none"> • Assess where all pupils are at on return to school and develop focussed interventions for all and particularly disadvantaged. • Identify intervention required. • Link Covid additional funding to support targeted interventions/ tutoring/small groups. • Continue to extend EBacc entry in all academies to ensure at least at National Average • Increase the proportion of students achieving Expected Outcomes and working at Greater Depth in primary schools. • Review what arrangements are required or feasible in regards to PPEs/ assessments 	English and Maths attainment is at least in line with national average measures.

THE SIGMA TRUST
(A company limited by guarantee)

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

Strategic Intent	Core Objectives	Success Criteria
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"> Establish the Sigma Sixth brand as the post 16 offer for all secondary schools. Open new centre and ensure it has sufficient resources linked to transport and infrastructure Ensure that Harwich students have access to high quality post 16 provision, including a specialist offer on-site Staff from all secondary schools have opportunities to teach Post 16 	Sixth Form provision across the Trust is highly regarded, financially viable and achieves strong outcomes for students
To ensure that leadership is effective and with sufficient capacity to drive forward improvements in all academies and within the central team	<ul style="list-style-type: none"> Review the roles linked to school development Further develop the Trust Data Manager role to ensure all data is consistent across Sigma and develops a Trust dashboard Develop talent management strategies to ensure succession planning is firmly in place. Further enhance and extend the role of Strategic Leads and Subject Specialists at primary and secondary level 	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"> Commission a pre-Ofsted check on the new framework in readiness for inspection Continue to expand and strengthen the provision at NETT. TeachFirst operational in all Sigma schools. 	NETT has high levels of recruitment and is the provider of choice. All academies are able to recruit high quality NQTs.
To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan.	<ul style="list-style-type: none"> Fully review impact of the pandemic on the Trust finances and put in place any necessary recovery plans. Staff Deployment Analysis and similar benchmarking tools for support staff ensure further reductions in expenditure are achieved where necessary 	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"> Develop Trust Board meeting to ensure sufficient time is allocated given the growth in Sigma Develop the Standards Committee to oversee school performance Seek to recruit more Local Governors with an education background to serve on Local Governance Committees Review existing LGCs in light of recruitment issues 	The Board of Trustees and each LGC has governors with the relevant levels of skills and expertise and with effective succession planning.
To create a Sigma wide approach to governance training and induction that ensures all Trustees and LGC members have the required skills and expertise	<ul style="list-style-type: none"> Training programme extended to focus on core aspects of LGC work Training programme for Trustees introduced into longer meetings All Local Governors required to attend at least one training session per year in consultation with Chair Annual Leadership and Governance conference agreed 	LGC members have a greater understanding of their roles and responsibilities and are fully supported in their role

Funds held as Custodian Trustee on behalf of others

Funds held on behalf of the Area Planning Group are £9,299, These are accounted for within The Stanway School accounts.

THE SIGMA TRUST
(A company limited by guarantee)

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

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 the 2017-2018 financial year for the provision of the Trust's auditors and appointed its auditors for an additional three years.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:


.....
Nick Pavitt
(Chair of Trustees)

THE SIGMA TRUST
(A company limited by guarantee)

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Nick Pavitt, Chair of Trustees	6	6
Steve McGrath, Vice Chair	5	6
Jeff Brindle, Chief Executive Officer and Accounting Officer (to 31/08/20)	6	6
Adrian Leggett, Chair of Finance Committee	6	6
Carol Carlsson Browne	6	6
Bradley Powell	3	6
Kay Maddox-Daines	3	6
Clive Bull	6	6
Sue Hammond	6	6
Bharat Parmar	5	6
Stephen Wyatt, Chair of Standards Committee	6	6
Lyn Wright, Chief Executive Officer and Accounting Officer (from 01/09/2020)	0	0

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

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

The Trustees created a third Trustee Committee from September 2019-2020, called the Standards Committee and led by our Director of Standards, aimed at ensuring a greater level of debate and scrutiny is placed on the academies' performance outcomes, pupil exclusion, attendance data and SEN provision.

During the accounting period, Trustees received the resignation of the founding CEO and Accounting Officer. A group of Trustees with the support of an external consultant undertook a full recruitment process to review and appoint a replacement CEO and Accounting Officer for the 1st September 2020.

THE SIGMA TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

For the Financial year 2019-20 the Board now consists of the following sub-committees;

- Trust Finance Committee
- Trust Audit & Risk Committee
- Trust Standards Committee
- Combined LGC for Alton Park Junior School and Holland Park Primary School
- Clacton County High School LGC
- St Helena School LGC
- The Colne Community School & College LGC
- Combined LGC for The Stanway School and The Thomas Lord Audley School
- Combined LGC for Monkwick Infant & Nursery School and Monkwick Junior School
- Combined LGC for Philip Morant School & College and Paxman Academy
- Harwich & Dovercourt High School LGC
- North Essex Teacher Training (NETT) LGC

Following the skills audit undertaken in the 2017-18 financial period, a two-year plan of training was identified for Local Governors and Trustees. With the re-brokerage of four new schools over the two-year period, the training schedule was repeated to ensure all LGC members had opportunities for training. However, due to the onset of Covid-19, much of this training had to be postponed.

The following training sessions have been planned for the 2019-2020 academic year. Only the first two listed below took place before Covid-19:

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

During the Autumn term of the 2020-21 academic year, the Headteachers are undertaking, as part of their CPD, three planned seminars with an external consultant. This training will also be delivered to LGC Members, listed as follows:

- Being prepared for the Ofsted visits in the Autumn Term and discussions with inspectors on how leaders are managing the full return to education
- The curriculum
- Disadvantaged pupils and catching-up

The Trustees will undertake its next self-evaluation throughout the Autumn 2020 and Spring 2021 terms.

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.

- Received Monthly Management Accounts
- Scrutinised management accounts at each and every meeting
- Agreed to expenditure within its delegated power and made recommendations to the full Board
- Reviewed and recommended to the Board appointment of the Auditors
- Received and challenged Trust benchmarking documents
- Received reports on the re-brokerage of the two former PLT primary academies
- Monitored the use and impact of the School Condition Allocation and schools' Devolved Formula Capital
- Received regular updates on the proposed sale of The Grange and possible expansions at both The

THE SIGMA TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Colne Community School and Clacton County High School.
- Received updates and reports on the Covid Emergency Dispensation Register and impact on the Trusts finances over the PPN guidance.
- Reviewed and monitored the Income & Expenditure start up grants for the SigmaSixth Projects

Attendance at meetings of the Finance Committee in the 2019-20 year was as follows.

Trustee	Meetings attended	Out of a possible
Bradley Powell	4	5
Steve McGrath (Vice Chair)	5	5
Jeff Brindle (CEO & Accounting Officer)	5	5
Carol Carlsson Browne	4	5
Adrian Leggett (Chair)	5	5
Clive Bull	5	5

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

Attendance at meetings of the Audit and Risk Committee in the 2019-20 year was as follows:

Trustee	Meetings attended	Out of a possible
Bradley Powell	2	3
Steve McGrath (Vice Chair)	3	3
Kay Maddox-Daines	2	3
Bharat Parmar	0	3
Sue Hammond	3	3

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

THE SIGMA TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Negotiating £200,000 funding grant from the LA for the creation of a pilot Secondary GROW provision at The Stanway School
- Ensuring the successful re-brokerage of two primary schools into The Sigma Trust.
- Overseeing the growth of the Post 16 provision within the Clacton & Colchester areas.
- Negotiating a 125-year lease with Essex County Council for the use of the Tendring Education Centre in Clacton on Sea.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sigma Trust for the year 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ Peter Standing FCCA as internal auditor, to perform checks for 2019-20.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the

THE SIGMA TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Trust's financial systems. In particular the checks carried out in the current period included:

- Review of Trust Financial Statements as at 31 August 2019, management letter internal action plan,
- Review of Local Government Pension Scheme contributions reconciliation,
- Review of Payroll outputs reconciliation,
- Review of staff expense claims,
- Review of the Trust's tendering and contract procedures,
- Review of the Trust's BAC's process,
- Review of the Trust's credit card procedures,
- Review of the assurance process for the new CEO,
- Review of the publications issued by the ESFA as a result of the Coronavirus COVID-19 outbreak, for actions to be taken by the Trust.

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

On a quarterly basis, the internal auditor reports to the Board of Trustees through the Audit and Risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on their behalf by:


.....
Nick Pavitt
Chair of Trustees


.....
Lyn Wright
Accounting Officer

THE SIGMA TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Sigma Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Lyn Wright

Accounting Officer

Date: 10 December 2020

THE SIGMA TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on
10 December 2020 and signed on its behalf by:


.....
Nick Pavitt
(Chair of Trustees)

THE SIGMA TRUST
(A company limited by guarantee)

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

THE SIGMA TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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.

THE SIGMA TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

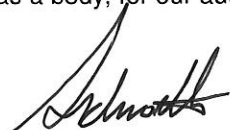
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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: 14 December 2020

THE SIGMA TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sigma Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Sigma Trust's funding agreement with the Secretary of State for Education dated 20 December 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE SIGMA TRUST
(A company limited by guarantee)

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

Conclusion

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



Daniel Aldworth Reporting Accountant
Griffin Chapman
Chartered Accountants

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

Date:

14 December 2020

THE SIGMA TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants	3	696	(2,294)	8,655	7,057	50,173
Charitable activities	4	-	58,486	-	58,486	45,831
Teaching schools	36	-	526	-	526	479
Other trading activities	5	805	1,484	-	2,289	3,563
Investments	6	23	-	-	23	12
Total income		1,524	58,202	8,655	68,381	100,058
Expenditure on:						
Charitable activities	8	42	63,177	3,392	66,611	53,799
Teaching schools	36	-	471	-	471	444
Total expenditure		42	63,648	3,392	67,082	54,243
Net income/(expenditure)		1,482	(5,446)	5,263	1,299	45,815
Transfers between funds	22	(1,111)	325	786	-	-
Net movement in funds before other recognised gains/(losses)		371	(5,121)	6,049	1,299	45,815
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	-	(2,545)	-	(2,545)	(4,866)
Net movement in funds		371	(7,666)	6,049	(1,246)	40,949
Reconciliation of funds:						
Total funds brought forward		4,870	(31,715)	112,041	85,196	44,247
Net movement in funds		371	(7,666)	6,049	(1,246)	40,949
Total funds carried forward		5,241	(39,381)	118,090	83,950	85,196

THE SIGMA TRUST
(A company limited by guarantee)

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

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

The notes on pages 41 to 82 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	15	6	18
Tangible assets	16	116,691	110,981
		<u>116,697</u>	<u>110,999</u>
Current assets			
Stocks	17	41	33
Debtors	18	2,200	2,158
Cash at bank and in hand		11,086	10,737
		<u>13,327</u>	<u>12,928</u>
Creditors: amounts falling due within one year	19	(5,036)	(5,572)
Net current assets		<u>8,291</u>	<u>7,356</u>
Total assets less current liabilities		<u>124,988</u>	<u>118,355</u>
Creditors: amounts falling due after more than one year	20	(67)	(79)
Net assets excluding pension liability		<u>124,921</u>	<u>118,276</u>
Defined benefit pension scheme liability	29	(40,972)	(33,080)
Total net assets		<u><u>83,949</u></u>	<u><u>85,196</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	22	118,090	112,041
Restricted income funds	22	1,591	1,365
		<u>119,681</u>	<u>113,406</u>
Restricted funds excluding pension asset	22	119,681	113,406
Pension reserve	22	(40,972)	(33,080)
Total restricted funds	22	<u>78,709</u>	<u>80,326</u>
Unrestricted income funds	22	<u>5,240</u>	<u>4,870</u>
Total funds		<u><u>83,949</u></u>	<u><u>85,196</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 36 to 82 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

10 December 2020

N P Pavitt

.....
Nick Pavitt
(Chair of Trustees)

The notes on pages 41 to 82 form part of these financial statements.

THE SIGMA TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	1,114	3,077
Cash flows from investing activities	25	(765)	(1,164)
		<u>349</u>	<u>1,913</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		10,737	8,824
Cash and cash equivalents at the end of the year	26, 27	<u><u>11,086</u></u>	<u><u>10,737</u></u>

The notes on pages 41 to 82 form part of these financial statements

THE SIGMA TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE SIGMA TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

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

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

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

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

THE SIGMA TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible assets

Intangible assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Amortisation is provided on the following basis:

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

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

1. Accounting policies (continued)

1.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2-3% straight line (10% straight line on MUGA)
Long-term leasehold property	- 2%-3% straight line
Furniture and equipment	- 20% and 25% straight line
Computer equipment	- 25% and 33.3% straight line
Motor vehicles	- 25% straight line

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

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

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account, other than £4.011 million on maturity periods between one and ten months.

THE SIGMA TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

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

THE SIGMA TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.16 Agency arrangements

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

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

For 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.

THE SIGMA TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.17 Fund accounting

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

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

1.18 PFI (Private Finance Initiative) premises

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

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

PFI credits are treated as general revenue.

The PFI arrangement is recognised in other financial commitments at note 31.

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.

THE SIGMA TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 31 where this arrangement is recognised as a financial commitment.

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

THE SIGMA TRUST
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations					
Donated leasehold property	-	-	-	-	14,500
Academies transfer in	677	(2,294)	5,672	4,055	32,375
	677	(2,294)	5,672	4,055	46,875
Donations	19	-	-	19	18
Capital Grants	-	-	2,983	2,983	3,280
Subtotal	19	-	2,983	3,002	3,298
Total 2020	696	(2,294)	8,655	7,057	50,173
<i>Total 2019</i>	934	(8,945)	58,184	50,173	

THE SIGMA TRUST
(A company limited by guarantee)

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

4. Funding for the academy's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant	50,992	50,992	41,386
Other DfE/ESFA grants	6,074	6,074	3,133
	<u>57,066</u>	<u>57,066</u>	<u>44,519</u>
Other Government Grants			
Local authority and other funding	1,343	1,343	1,312
	<u>1,343</u>	<u>1,343</u>	<u>1,312</u>
Exceptional government funding			
Coronavirus Exceptional Support	77	77	-
	<u>77</u>	<u>77</u>	<u>-</u>
Total 2020	<u><u>58,486</u></u>	<u><u>58,486</u></u>	<u><u>45,831</u></u>
<i>Total 2019</i>	<u><u>45,831</u></u>	<u><u>45,831</u></u>	

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Lettings income	190	-	190	246
Music services income	-	38	38	41
Trip income	-	348	348	975
Catering income	-	1,055	1,055	1,348
Other income	615	43	658	953
	<u>805</u>	<u>1,484</u>	<u>2,289</u>	<u>3,563</u>
Total 2020	<u><u>805</u></u>	<u><u>1,484</u></u>	<u><u>2,289</u></u>	<u><u>3,563</u></u>
<i>Total 2019</i>	<u><u>801</u></u>	<u><u>2,762</u></u>	<u><u>3,563</u></u>	

THE SIGMA TRUST
(A company limited by guarantee)

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

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank interest	23	23	12
<i>Total 2019</i>	12	12	

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Educational operations:					
Direct costs	38,189	3,392	4,227	45,808	36,235
Allocated support costs	13,283	3,756	3,764	20,803	17,564
Teaching school	349	17	105	471	444
Total 2020	51,821	7,165	8,096	67,082	54,243
<i>Total 2019</i>	40,057	6,339	7,847	54,243	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Educational operations	42	66,569	66,611	53,800
<i>Total 2019</i>	27	53,773	53,800	

THE SIGMA TRUST
(A company limited by guarantee)

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

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs	Depreciation	Other costs	Total funds	<i>Total funds</i>
	2020	2020	2020	2020	<i>2019</i>
	£000	£000	£000	£000	<i>£000</i>
Educational operations	51,472	3,392	11,747	66,611	53,799
<i>Total 2019</i>	<i>39,734</i>	<i>2,447</i>	<i>11,618</i>	<i>53,799</i>	

9. Analysis of expenditure by activities

	Activities undertaken directly	Support costs	Total funds	<i>Total funds</i>
	2020	2020	2020	<i>2019</i>
	£000	£000	£000	<i>£000</i>
Educational operations	45,808	20,803	66,611	53,799
<i>Total 2019</i>	<i>36,235</i>	<i>17,564</i>	<i>53,799</i>	

THE SIGMA TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	38,189	38,189	29,250
Depreciation	3,392	3,392	2,447
Other educational services	227	227	253
Education supplies	1,140	1,140	1,908
Examination fees	610	610	705
Staff development	181	181	131
Educational consultancy	908	908	632
Other direct costs	316	316	225
Security and transport	135	135	147
Technology costs	710	710	537
	<u>45,808</u>	<u>45,808</u>	<u>36,235</u>
<i>Total 2019</i>	<u>36,235</u>	<u>36,235</u>	

THE SIGMA TRUST
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Pension finance cost	641	641	585
Staff costs	13,283	13,283	10,484
Recruitment and support	6	6	19
Maintenance of premises and equipment	2,390	2,390	2,452
Cleaning	329	329	177
Rent and Rates	378	378	299
Insurance	240	240	191
Security and transport	84	84	102
Catering	999	999	1,037
Technology costs	331	331	342
Utilities	1,129	1,129	822
Legal fees - other	30	30	56
Bank interest and charges	-	-	1
Other support costs	915	915	961
Audit and accountancy	48	48	36
	<u>20,803</u>	<u>20,803</u>	<u>17,564</u>
<i>Total 2019</i>	<u>17,564</u>	<u>17,564</u>	

THE SIGMA TRUST
(A company limited by guarantee)

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

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	<i>2019</i>
	£000	<i>£000</i>
Operating lease rentals	190	<i>186</i>
Depreciation of tangible fixed assets	3,380	<i>2,438</i>
Amortisation of intangible assets	12	<i>10</i>
Fees paid to auditors for:		
- audit	27	<i>26</i>
- other services	21	<i>10</i>
	=====	<i>=====</i>

Included in expenditure are unrecoverable debts of £5,192.

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	37,664	<i>30,030</i>
Social security costs	3,370	<i>2,649</i>
Pension costs	10,343	<i>6,736</i>
	=====	<i>=====</i>
	51,377	<i>39,415</i>
Agency staff costs	419	<i>475</i>
Staff restructuring costs	25	<i>167</i>
	=====	<i>=====</i>
	51,821	<i>40,057</i>
	=====	<i>=====</i>

Staff restructuring costs comprise:

	2020	<i>2019</i>
	£000	<i>£000</i>
Redundancy payments	-	<i>70</i>
Severance payments	25	<i>97</i>
	=====	<i>=====</i>
	25	<i>167</i>
	=====	<i>=====</i>

THE SIGMA TRUST
(A company limited by guarantee)

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

11. Staff (continued)

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

Included in severance payments are non-statutory/non-contractual payments of £4,000 and £893 (2019: £20,000 and £14,248)

c. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	648	<i>547</i>
Administration and support	802	<i>705</i>
Management	14	<i>13</i>
	<hr/> 1,464 <hr/>	<hr/> <i>1,265</i> <hr/>

The average headcount expressed as full-time equivalents was:

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	574	<i>496</i>
Administration and support	560	<i>470</i>
Management	14	<i>13</i>
	<hr/> 1,148 <hr/>	<hr/> <i>979</i> <hr/>

d. Higher paid staff

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

THE SIGMA TRUST
(A company limited by guarantee)

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

11. Staff (continued)

d. Higher paid staff (continued)

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	26	<i>20</i>
In the band £70,001 - £80,000	10	<i>6</i>
In the band £80,001 - £90,000	3	<i>5</i>
In the band £90,001 - £100,000	4	<i>-</i>
In the band £100,001 - £110,000	2	<i>1</i>
In the band £110,001 - £120,000	1	<i>1</i>
In the band £120,001 - £130,000	-	<i>1</i>
	<hr/> <hr/>	<hr/> <hr/>

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £746,627 (2019 £1,428,205).

Due to the growing size of the trust over the last few years, a change in those included in this key management disclosure has been made compared to last year, to more accurately reflect the structure within the organisation.

THE SIGMA TRUST
(A company limited by guarantee)

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

12. Central services

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

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

The academy charges for these services on the following basis:

The Trust charges for these services at 4.5% (2019: 4.5%) of the General Annual Grant (including 16-19 allocation for relevant schools) but excluding Bursary and PFI income but including LA growth funding and Teachers Pay Grant.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Clacton County High School	358	<i>382</i>
Colne Community School and College	282	<i>194</i>
Harwich and Dovercourt High School	264	<i>263</i>
Monwick Infants School	40	<i>43</i>
Monkwick Junior School	54	<i>52</i>
Philip Morant School and College	362	<i>235</i>
St Helena School	223	<i>214</i>
The Stanway School	279	<i>268</i>
Thomas Lord Audley School	186	<i>186</i>
Alton Park Junior School	88	<i>-</i>
Holland Park Primary School	68	<i>-</i>
Paxman Academy	48	<i>-</i>
Total	2,252	<i>1,837</i>

13. Trustees' remuneration and expenses

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

		2020	<i>2019</i>
		£000	<i>£000</i>
Jeff Brindle, Chief Executive Officer and Accounting Officer	Remuneration	100 - 105	<i>125 - 130</i>
	Pension contributions paid	25 - 30	<i>30 - 35</i>

THE SIGMA TRUST
(A company limited by guarantee)

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

13. Trustees' remuneration and expenses (continued)

During the year, retirement benefits were accruing to 1 Trustees (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses totalling £225 were reimbursed or paid directly to 3 Trustees (2019 - £NIL).

14. Trustees' and Officers' insurance

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

15. Intangible assets

	Computer software £000
Cost	
At 1 September 2019	27
At 31 August 2020	<u>27</u>
Amortisation	
At 1 September 2019	10
Charge for the year	12
At 31 August 2020	<u>21</u>
Net book value	
At 31 August 2020	<u>6</u>
At 31 August 2019	<u>17</u>

THE SIGMA TRUST
(A company limited by guarantee)

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

16. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation							
At 1 September 2019	90,605	21,819	1,382	1,175	1,753	16	116,750
Additions	306	40	2,949	59	260	-	3,614
Transfers between classes	2,509	609	(3,118)	-	-	-	-
Academies transfer in	2,264	2,683	358	142	-	29	5,476
At 31 August 2020	95,684	25,151	1,571	1,376	2,013	45	125,840
Depreciation							
At 1 September 2019	3,740	436	-	415	1,167	11	5,769
Charge for the year	2,314	519	-	263	273	11	3,380
Transfers between classes	(142)	142	-	-	-	-	-
At 31 August 2020	5,912	1,097	-	678	1,440	22	9,149

THE SIGMA TRUST

(A company limited by guarantee)

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

16. Tangible fixed assets (continued)

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Net book value							
At 31 August 2020	89,772	24,054	1,571	698	573	23	116,691
At 31 August 2019	86,865	21,383	1,382	760	586	5	110,981

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 conversion to academy status. 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.

Four of the Trust's schools occupy leasehold property under 125 year leases with Essex County Council at peppercorn rent.

THE SIGMA TRUST
(A company limited by guarantee)

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

17. Stocks

	2020	<i>2019</i>
	£000	<i>£000</i>
Finished goods and goods for resale	41	<i>33</i>

18. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Due after more than one year		
Other debtors	57	<i>51</i>
	57	<i>51</i>
Due within one year		
Trade debtors	77	<i>110</i>
Other debtors	1,019	<i>686</i>
Prepayments	596	<i>779</i>
VAT recoverable	451	<i>532</i>
	2,200	<i>2,158</i>

THE SIGMA TRUST
(A company limited by guarantee)

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

19. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	526	2,007
Other taxation and social security	870	786
Other creditors	1,831	976
Accruals and deferred income	1,809	1,803
	<u>5,036</u>	<u>5,572</u>
	2020 £000	2019 £000
Deferred income		
Deferred income at 1 September 2019	475	481
Resources deferred during the year	609	475
Amounts released from previous periods	(475)	(481)
Deferred income at 31 August 2019	<u>609</u>	<u>475</u>

Deferred income relates to Universal infant free school meals, trip income, nursery fees and rates funding received in advance.

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

	2020 £000	2019 £000
Loans	<u>67</u>	<u>79</u>

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

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

Alton Park School has an interest free Salix loan relating to a water distribution project, repayable over a further 8 years. Repayments will recommence in March 2021. The repayments falling due within one year are £840 and are included in other creditors. The balance due after 5 years is £5,609.

THE SIGMA TRUST
(A company limited by guarantee)

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

21. Financial instruments

	2020	<i>2019</i>
	£000	<i>£000</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	11,086	<i>10,737</i>
Financial assets that are debt instruments measured at amortised cost	1,152	<i>846</i>
	12,238	<i>11,583</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Financial liabilities		
Other financial liabilities measured at fair value through income and expenditure	(3,624)	<i>(4,390)</i>

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

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

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

THE SIGMA TRUST
(A company limited by guarantee)

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

22. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Designated funds						
MUGA replacement	64	-	-	40	-	104
General funds						
General Funds - all funds	4,806	1,523	(42)	(1,151)	-	5,136
Total Unrestricted funds	4,870	1,523	(42)	(1,111)	-	5,240
Restricted general funds						
General Annual Grant	1,173	57,214	(54,827)	(2,281)	-	1,279
North Essex Teacher Training	160	526	(471)	-	-	215
Pupil premium	-	2,880	(2,880)	-	-	-
Paxman Academy funding	32	146	(62)	(19)	-	97
Sigma Sixth - CCHS	-	50	(122)	72	-	-
Pension reserve	(33,080)	(2,614)	(5,286)	2,553	(2,545)	(40,972)
	(31,715)	58,202	(63,648)	325	(2,545)	(39,381)
Restricted fixed asset funds						
Tangible fixed assets	110,981	5,477	(3,380)	3,613	-	116,691
Intangible fixed assets	18	-	(12)	-	-	6
ESFA Capital grants	1,042	2,857	-	(2,591)	-	1,308

THE SIGMA TRUST
(A company limited by guarantee)

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

22. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
LA Capital grants	-	33	-	(33)	-	-
Sigma Sixth - CCHS	-	288	-	(203)	-	85
	<u>112,041</u>	<u>8,655</u>	<u>(3,392)</u>	<u>786</u>	<u>-</u>	<u>118,090</u>
Total Restricted funds	<u>80,326</u>	<u>66,857</u>	<u>(67,040)</u>	<u>1,111</u>	<u>(2,545)</u>	<u>78,709</u>
Total funds	<u>85,196</u>	<u>68,380</u>	<u>(67,082)</u>	<u>-</u>	<u>(2,545)</u>	<u>83,949</u>

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

During the year £786,440 was transferred from restricted funds to restricted fixed asset funds regarding the amount of GAG used to cover the capital additions not covered by capital grant income.

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

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

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

Pupil Premium restricted fund represents funding received and related expenditure.

The Sigma Trust operates North Essex Teacher Training and the fund includes all grant and other income and related expenditure.

Sigma Sixth relates to income and expenditure, both capital and revenue, in relation to establishing the new sixth form at Tendring Education Centre.

Paxman Academy funding relates to specific funding and expenditure relating to the new Free School.

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.

LA capital grants shows funding for projects funded by the local authority.

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

THE SIGMA TRUST
(A company limited by guarantee)

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

22. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Clacton County High School	1,248	<i>1,249</i>
Colne Community School & College	1,084	<i>851</i>
Harwich and Dovercourt High School	346	<i>964</i>
Monkwick Infants School	382	<i>421</i>
Monkwick Junior School	143	<i>142</i>
North Essex Teacher Training	215	<i>160</i>
Philip Morant School & College	597	<i>293</i>
St Helena School	453	<i>389</i>
The Sigma Trust Central Services	260	<i>347</i>
The Stanway School	934	<i>1,341</i>
Thomas Lord Audley School	145	<i>78</i>
Alton Park Junior School	604	<i>-</i>
Holland Park Primary School	332	<i>-</i>
Paxman Academy	89	<i>-</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	6,832	<i>6,235</i>
Restricted fixed asset fund	118,090	<i>112,041</i>
Pension reserve	(40,972)	<i>(33,080)</i>
	<hr/>	<hr/>
Total	83,950	<i>85,196</i>
	<hr/>	<hr/>

THE SIGMA TRUST
(A company limited by guarantee)

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

22. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Clacton County High School	6,056	1,244	83	2,839	10,222	10,066
Colne Community School & College	4,509	1,358	89	961	6,917	4,949
Harwich and Dovercourt High School	4,379	1,303	189	1,125	6,996	6,878
Monkwick Infants School	902	327	20	188	1,437	1,582
Monkwick Junior School	1,025	274	31	209	1,539	1,438
North Essex Teacher Training	293	56	7	115	471	444
Philip Morant School & College	6,028	1,766	204	1,427	9,425	6,341
St Helena School	3,423	1,220	97	931	5,671	5,679
The Sigma Trust Central Services	694	1,891	68	466	3,119	2,617
The Stanway School	4,652	1,128	186	957	6,923	6,925
Thomas Lord Audley School	3,059	1,043	74	652	4,828	4,877
Alton Park Junior School	1,654	549	46	312	2,561	-
Holland Park Primary School	1,120	441	28	239	1,828	-
Paxman Academy	688	738	26	301	1,753	-
Academy	38,482	13,338	1,148	10,722	63,690	51,796

THE SIGMA TRUST
(A company limited by guarantee)

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

22. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
Designated funds						
MUGA replacement	20	10	-	34	-	64
General funds						
General Funds - all funds	3,263	1,737	(27)	(167)	-	4,806
Total Unrestricted funds	3,283	1,747	(27)	(133)	-	4,870
Restricted general funds						
General Annual Grant	1,796	46,063	(44,621)	(2,065)	-	1,173
North Essex Teacher Training	125	479	(444)	-	-	160
Pupil premium	14	2,195	(2,209)	-	-	-
Paxman Academy funding	23	375	(366)	-	-	32
Pension reserve	(16,930)	(8,984)	(4,129)	1,829	(4,866)	(33,080)
	(14,972)	40,128	(51,769)	(236)	(4,866)	(31,715)
Tangible fixed assets	54,087	54,876	(2,438)	4,456	-	110,981
Intangible fixed assets	-	28	(10)	-	-	18
ESFA Capital grants	1,848	2,619	-	(3,425)	-	1,042

THE SIGMA TRUST
(A company limited by guarantee)

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

22. Statement of funds (continued)

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
LA Capital grants	-	662	-	(662)	-	-
	<u>55,935</u>	<u>58,185</u>	<u>(2,448)</u>	<u>369</u>	<u>-</u>	<u>112,041</u>
Total Restricted funds	<u>40,963</u>	<u>98,313</u>	<u>(54,217)</u>	<u>133</u>	<u>(4,866)</u>	<u>80,326</u>
Total funds	<u>44,246</u>	<u>100,060</u>	<u>(54,244)</u>	<u>-</u>	<u>(4,866)</u>	<u>85,196</u>

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	116,691	116,691
Intangible fixed assets	-	-	6	6
Debtors due after more than one year	-	57	-	57
Current assets	5,240	6,637	1,393	13,270
Creditors due within one year	-	(5,036)	-	(5,036)
Creditors due in more than one year	-	(67)	-	(67)
Provisions for liabilities and charges	-	(40,972)	-	(40,972)
Total	<u>5,240</u>	<u>(39,381)</u>	<u>118,090</u>	<u>83,949</u>

THE SIGMA TRUST
(A company limited by guarantee)

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

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	110,981	110,981
Intangible fixed assets	-	-	18	18
Debtors due after more than one year	-	51	-	51
Current assets	4,858	6,977	1,042	12,877
Creditors due within one year	12	(5,584)	-	(5,572)
Creditors due in more than one year	-	(79)	-	(79)
Provisions for liabilities and charges	-	(33,080)	-	(33,080)
Total	4,870	(31,715)	112,041	85,196

THE SIGMA TRUST
(A company limited by guarantee)

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

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

	2020 £000	2019 £000
Net income for the period (as per Statement of financial activities)	1,299	45,815
Adjustments for:		
Amortisation	12	10
Depreciation	3,380	2,438
Capital grants from DfE and other capital income	(2,826)	(17,780)
Interest receivable	(23)	(13)
Defined benefit pension scheme obligation inherited	2,614	8,984
Defined benefit pension scheme cost less contributions payable	2,092	1,715
Defined benefit pension scheme finance cost	641	585
Increase in stocks	(8)	(6)
Increase in debtors	(42)	(473)
(Decrease)/increase in creditors	(548)	2,205
Transfer in of academies	(6,668)	(41,359)
Reserves transferred in on academies joining the trust	996	956
Capital grants transferred on academies joining the trust	195	-
Net cash provided by operating activities	1,114	3,077

25. Cash flows from investing activities

	2020 £000	2019 £000
Interest receivable	23	13
Purchase of tangible fixed assets	(3,614)	(18,957)
Capital grants from DfE Group and LA	2,826	3,280
Donated tangible fixed asset	-	14,500
Net cash used in investing activities	(765)	(1,164)

THE SIGMA TRUST
(A company limited by guarantee)

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

26. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	11,086	<i>10,737</i>
Total cash and cash equivalents	11,086	<i>10,737</i>

27. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	10,737	349	11,086
	10,737	349	11,086

28. Capital commitments

	2020	<i>2019</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	1,031	<i>1,137</i>

THE SIGMA TRUST
(A company limited by guarantee)

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

29. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £1,645,566 were payable to the schemes at 31 August 2020 (2019 - £703,179) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

THE SIGMA TRUST
(A company limited by guarantee)

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

29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £5,716,280 (2019 - £3,231,900).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £3,209,000 (2019 - £2,308,000), of which employer's contributions totalled £2,553,000 (2019 - £1,816,000) and employees' contributions totalled £ 656,000 (2019 - £492,000). The agreed contribution rates for future years are 21.7% -25.0% per cent for employers and 5.5% - 12.5% per cent for employees.

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

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

Principal actuarial assumptions

Essex Pension Fund		
	2020	2019
	%	%
Rate of increase in salaries	3.27	3.7
Rate of increase for pensions in payment/inflation	2.27	2.2
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.27	2.2
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:

THE SIGMA TRUST
(A company limited by guarantee)

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

29. Pension commitments (continued)

	2020 Years	<i>2019 Years</i>
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23.0
Females	25.2	25.4

Sensitivity analysis

Essex Pension Scheme

	2020 £000	<i>2019 £000</i>
Discount rate +0.1%	1,743	1,346
Discount rate -0.1%	(1,787)	(1,378)
Mortality assumption - 1 year increase	(1,787)	(2,202)
Mortality assumption - 1 year decrease	2,585	2,118
CPI rate +0.1%	32	(177)
CPI rate -0.1%	(39)	(177)

Share of scheme assets

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

	2020 £000	<i>2019 £000</i>
Equities	19,632	15,276
Gilts	1,352	1,333
Corporate bonds	1,771	1,365
Property	2,458	1,940
Cash and other liquid assets	860	708
Alternative assets and other managed funds	5,602	3,619
Total market value of assets	31,675	24,241

The actual return on scheme assets was £736,000 (2019 - £1,459,000).

THE SIGMA TRUST
(A company limited by guarantee)

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

29. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(4,627)	<i>(3,536)</i>
Interest income	514	<i>511</i>
Interest cost	(1,155)	<i>(1,096)</i>
Administrative expenses	(18)	<i>(8)</i>
Total amount recognised in the Statement of financial activities	(5,286)	<i>(4,129)</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	57,321	<i>30,885</i>
Transferred in on existing academies joining the trust	4,889	<i>15,421</i>
Current service cost	4,627	<i>3,536</i>
Interest cost	1,155	<i>1,096</i>
Employee contributions	656	<i>492</i>
Actuarial losses	3,999	<i>5,891</i>
At 31 August	72,647	<i>57,321</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	24,241	<i>13,955</i>
Transferred in on existing academies joining the trust	2,275	<i>6,437</i>
Interest income	514	<i>511</i>
Actuarial gains	1,454	<i>1,025</i>
Employer contributions	2,553	<i>1,829</i>
Employee contributions	656	<i>492</i>
Administrative expenses	(18)	<i>(8)</i>
At 31 August	31,675	<i>24,241</i>

THE SIGMA TRUST
(A company limited by guarantee)

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

30. Operating lease commitments

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Not later than 1 year	200	<i>210</i>
Later than 1 year and not later than 5 years	599	<i>687</i>
Later than 5 years	-	<i>195</i>
	799	<i>1,092</i>

31. Other financial commitments

Clacton County High School has a continuing PFI commitment relating to its school premises. The annual contribution for the current year was £1,683,369. (2019: £1,625,921).

The liability from school revenue towards this figure for the year ended 31 August 2020 will be £1,001,530. This commitment is expected to continue for the life of the PFI agreement which expires in 2035. The actual commitment is dependent on elements outside of the school's control and therefore cannot be accurately disclosed any further forward than one year.

32. Members' liability

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

THE SIGMA TRUST
(A company limited by guarantee)

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

33. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust had transactions with Learning Pathways Academy in which A Smith (a member of the Trust) is Chief Executive Officer and a Trustee. The Trust purchased services of £341,896 (2019: £73,886) and supplied services of £49,338 (2019: £8,606). At 31 August 2020 £53,089 was owed by the Trust to Learning Pathways Academy (2019: £nil).

Gavin Bradley – a headteacher at one of the Learning Pathways Academy Trust schools - is seconded to The Sigma Trust as Primary Executive Lead. All related costs are included within the figures seen in the transactions with Learning Pathways Academy Trust. No salary for Gavin Bradley is recognised in the accounts of The Sigma Trust to avoid duplication. His salary is disclosed in full in the accounts of Learning Pathways Academy Trust.

North East Essex Co-Operative Academy is part of Keys Co-Operative Academy Trust and Jeff Brindle, a trustee of The Sigma Trust is a trustee and Chair of the Finance, Audit and Risk Committee of Keys Co-Operative Academy Trust.

During the year, North East Essex Co-Operative Academy acted as a pupil referral unit for The Sigma Trust. Referral fees of £458,997 were incurred during the year (2019: £331,600) and at the year end £14,622 was due to North East Essex Co-Operative Academy (2019: £36,629).

The transactions were conducted on the same commercial terms as other academies using the pupil referral services.

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

34. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2020 the trust received funding of £63,767. £87,771 of funding was distributed. An amount of £18,180 (2019: £42,184) is included in accruals and deferred income relating to undistributed funds that are repayable to EFSA.

The academy is the lead school for North Essex Teacher Training, which distributes training bursaries on behalf of NCTL. During the accounting year ended 31 August 2020 bursary funding of £502,000 (2019: £446,800) was received and £501,000 (2019: £443,800) was distributed. The balance of £4,000 (2019: £3,000) is included in other creditors.

THE SIGMA TRUST
(A company limited by guarantee)

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

35. Transfer of existing academies into the academy

Alton Park Junior School (transfer in 01/10/2019)

	Value reported by transferring trust £000	Transfer in recognised £000
Tangible fixed assets		
Long-term leasehold property	2,683	2,683
Assets under construction	358	358
Furniture and equipment	102	102
Current assets		
Debtors due within one year	391	391
Cash at bank and in hand	609	609
Liabilities		
Creditors due within one year	(161)	(161)
Creditors due after one year	(11)	(11)
Pensions		
Pensions - pension scheme assets	1,351	1,351
Pensions - pension scheme liabilities	(2,935)	(2,935)
Net assets	<u>2,387</u>	<u>2,387</u>

THE SIGMA TRUST
(A company limited by guarantee)

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

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

Holland Park Primary School (transfer in 01/10/2019)

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Freehold property	3,265	(1,000)	2,265
Furniture and equipment	40	-	40
Motor vehicles	29	-	29
Current assets			
Debtors due within one year	84	-	84
Cash at bank and in hand	433	-	433
Liabilities			
Creditors due within one year	(153)	-	(153)
Pensions			
Pensions - pension scheme assets	924	-	924
Pensions - pension scheme liabilities	(1,954)	-	(1,954)
Net assets	<u>2,668</u>	<u>(1,000)</u>	<u>1,668</u>

THE SIGMA TRUST
(A company limited by guarantee)

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

36. Teaching school trading account

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Direct income				
SLE Income	492		461	
Other direct income	34		18	
Other income				
Total income		526		479
Expenditure				
Direct expenditure				
Direct staff costs	293		265	
Other direct costs	58		61	
Total direct expenditure	351		326	
Other expenditure				
Other staff costs	56		58	
Utilities	7		3	
Rent	17		17	
Audit and accountancy	3		1	
Equipment costs	-		3	
Technology costs	6		8	
Other support costs	27		22	
Travel expenses	4		6	
Total other expenditure	120		118	
Total expenditure		471		444
Surplus from all sources		55		35
Teaching school balances at 1 September 2019		160		125
Teaching school balances at 31 August 2020		215		160