

Company Registration Number: 07926573 (England & Wales)

THE SIGMA TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Richard Moodey Nick Pavitt Brian Palmer (resigned 9 July 2021) 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 ^{2,3} Clive Bull ^{1,2} Steve McGrath, Vice Chair, Chair of Audit & Risk Committee ^{1,2} Adrian Leggett, Chair of Finance Committee ¹ 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 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 (resigned 25 March 2021) Krista Hook (appointed 25 March 2021)
Chief Executive Officer	Lyn Wright

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Senior management team
(Executive Committee)

Lyn Wright, CEO, Accounting Officer
Brian Markham, Chief Operations & Finance Officer
Krista Hook, Chief Administrative Officer (from 1 April 2021)
Scott Holder, Director of Education, Executive Headteacher
Alison Rudd, Assistant Director of Education
Neil Gallagher, Executive Headteacher

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

Browne Jacobson LLP
15th Floor
6 Bevis Marks
London
EC3 7BA

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1st September 2020 to 31st August 2021. The Annual Report serves the purpose of both a Trustees' report, and a directors' report under company law.

As at 31st August 2021, the Trust operated four primary academies, of which one includes a nursery provision, eight secondary academies, four of which offer post 16 provision. All our academies serve a catchment area in the Colchester and Tendring locality. The Trust has a combined net Pupil Capacity of 12,938 and had a number on roll of 10,934 in the Autumn 2021 census an increase of 274 in 2020.

The Sigma Trust academies are:

- Alton Park Junior School ~ 7-11 provision ~ Rebrokered in October 2019
- Clacton County High School ~ 11-19 provision (16-19 provision delivered at the Tendring Education Centre)
- 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.

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 School & Nursery
- Monkwick Junior School
- Paxman Academy
- Philip Morant School and College
- St Helena School
- The Stanway School
- The Thomas Lord Audley School
- North Essex Teacher Training (NETT)

Details of the Trustees who served throughout the year, and to the date these accounts are approved, are

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TRUSTEES' REPORT (CONTINUED)
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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 reappointed 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 four Members as at 31st August 2021. The Trust will undergo a recruitment process in the autumn term to return membership to five serving Members. 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 the 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 Chair of Trustees and 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 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.

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The composition of an Academy 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.

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 2020-21 a full schedule of training and development sessions were arranged and delivered via on-line platforms.

The Chair of the Trustees meets termly with LGC Chairs to share best practice, arrange relevant collaborative Trust training sessions and share 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 Trust's Chief Executive Officer (CEO). The CEO is supported directly by a senior Management team of five, a Chief Operations & Finance Officer (COFO), a Director of Education, an Assistant Director of Education, an Executive Head and the Chief Administrative Officer. Day to day management of the academies is delegated to the Headteachers, and the management of the NETT Teacher Training Scheme is delegated to the Programme Director.

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 Executive Lead, COFO and CAO meets at least 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.

During the financial year, the Covid 19 pandemic continued to have a significant impact on the realistic outcomes of the Trust's Improvement Plan. The Trust's Covid response and recovery plans have continued to have a major

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impact on the direction of the Trust and absorbed a significant amount of financial and personnel resources over the operating 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 staffing; including key personnel, are subject to robust, evidence-based performance management processes and these are monitored by the established Pay Committees and the 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's Headteachers and CEO.

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

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period ~ 21

Full-time equivalent employee number ~ 17.02

Percentage of time spent on facility time

0% ~ 17

1-50% ~ 4

51-99% ~ 0

100% ~ 0

Percentage of pay bill spent on facility time

Total cost of facility time ~ £11,145

Total pay bill ~ £55,894,476

Percentage of the 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 ~ 0%

Related Parties and other Connected Charities and Organisations

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To support the Trust achieve agreed objectives, the Trust and associated academies liaise with like-minded 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 ITT Strategic Board 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 embedded 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 which could not be offered viably in a single institution.

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

The Trust subscribes to The Confederation of School Trusts (CST) and the National Governors Association (NGA).

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; NEECA.

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.

Engagement with employees

The Sigma Trust has a Joint Consultative Committee (JCC) arrangement 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, newsletters 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

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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 like minded Trusts or public sector organisations. To ensure the Trust maintains its 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 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.

Objectives, Strategies and Activities

Our main objectives for our Trust is established within our 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.

We aim to achieve these objectives by ensuring strong and effective leadership is embedded across all our

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academies and within the central team. Ensuring every available resource is provided to our leaders and that by working collaboratively no child is left behind.

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.

Achievements and Performance

- A full programme of leadership support at Alton Park Junior School and Holland Park Primary School.
- Significant student growth in post 16 to both 'Sigma Sixth' and Philip Morant School & College.
- Full Plans approved by the Regional Schools Commissioner and Essex County Council for the expansion of the Colne Community School & College.
- Third successive year of full subscription to the Paxman Academy free school
- Confirmation for continuation for the pilot 'Secondary Grow' unit funded by ECC for the north Essex area.
- Continuation of the high quality of home learning provision for all students within the Sigma community during the second Covid 19 national lockdown.
- Continued to ensure all Sigma students, staff and establishments were safe and Covid secure for the partial openings and for the full openings of schools during the academic year.
- Delivery of on-site learning and care for vulnerable and key worker students during the second Covid 19 national lockdown.
- Replacement of two c1970s dilapidated classrooms at Holland Park Primary School to a fully net zero modular building including the receipt of £106k of section 106 additional monies.
- Full refurbishment of over 30 classrooms and corridor areas at Monkwick Infant & Nursery School, The St Helena School and The Thomas Lord Audley School over the summer holidays enhancing the learning environment.
- Complete refurbishment, remodel and installation of the kitchen areas and equipment at both Monkwick Junior School and Alton Park Junior School, an investment of over £500k on both projects.
- Successful completion of £900k of refurbishment and project works at the Philip Morant School & College, including, full refurbishment of Art, Maths and MFL learning spaces and replacement of over 1900m² of roofing.

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 and 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	No current report
Date of inspection	Jul-18	Jun-19	Feb-19	Jan-19

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

Secondary Academy KPIs

	Nat Avc	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		Convertor	Re-brokered	Convertor	Convertor
Age Range		11-18	11-18	11-16	11-16
Ofsted grade		Good Outstanding - Leadership, Post 16	Good	Good	Good
Date of inspection		Sep-18	Sep-21	Dec-17	Mar-17

	Nat Avc	Thomas Lord Audley School	Colne Community School	Philip Morant School	Paxman Academy
Joined Sigma		Sep-16	Jan-19	Jan-19	Sep-19
Type		Convertor	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	N/A

Financial Key Performance Indicators	2017-2018	2018-2019	2019-2020	2020-2021
Total Income Per Pupil	£6,011	£6,413	£6,214	£6,409
GAG/Grant income per pupil	£5,120	£5,368	£5,650	£5,569
Staff costs as % total income	77.83%	80.27%	83.91%	83.24%
Staff costs as % GAG/Grant Income	91.38%	89.98%	88.01%	87%
Staff costs as % total expenses	73.98%	87.43%	76.73%	77.64%
Teaching staff costs as % total staff costs	68.72%	75.91%	62.6%	62.8%
Cash as % total income	23.62%	21.89%	17.23%	17.91%
Current assets to current liabilities ratio	3.04	3.72	2.65	2.73

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 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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During the period ended 31 August 2021, recurrent expenditure exceeded income by £1,821,705.

The balance sheet includes a liability of £46,104,000 in relation to the Academy's FRS 102 disclosure of the Local Government Pension Scheme (see note for further details).

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

Included within the figures for the financial year is a carried forward amount of £411,319 of unspent Covid 19 catch up funding which will be applied to the 2021-22 academic year and unspent earmarked funds of £243,450 for the furniture, fixture and fittings for the expansion and Free school projects.

The Trust's School Condition Allocation for 2020-21 was around £2.7million. This, along with additional revenue funding and other earmarked grants from Essex County Council, 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 fixed asset additions were £3,955,455.

Due to the on-going Covid 19 pandemic the Trust followed the Government's advice and where required provided home learning options for students within the Trust. For students eligible for free school meals, the Trust obtained the services of Wonde up until the national free school meal program with Edenred was reintroduced. The Trust implemented the recommendation of the Government's Procurement Policy Notes PPN 04/20 and ensured assessments were carried out for suppliers and contractors. No payments were required to be made by the Trust under the PPN 04/20 for services which did not take place during the partial closure period within this financial year. The Trust also followed the Foreign & Commonwealth Office advice on travel restrictions.

The Trust received £830,212 in relation to Covid catch up funding, all academies produced action plans identifying planned expenditure and educational impact, these plans were approved by Trustees.

Reserves Policy

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

In deciding the level of reserves for this financial year Trustees have considered the following:

- Short/medium term impact of additional costs linked to addressing the Covid-19 Pandemic.
- Reduction in Nursery placement uptake in Monkwick Infant & Nursery School, including transition to the Monkwick Junior School
- Continual growth in the post 16 provision and associated lagged funding.
- Uncertainty and concern over the affordability of the PFI contract over the long term, at Clacton County High School.
- Unknown or unexpected condition issues within the Trust's estate
- Educational or safeguarding concerns within one or more of the Trust's academies
- Uncertainty over future national funding for education

The Trust is holding free reserves of £5,877,242 which is an unrestricted general reserve fund. The Trustees have determined its Primary Schools should achieve a 9% of GAG reserve level and Secondaries 7%. For 2021-22 the minimum level of reserves required to be held by the Trust has been set at £4,334,164. This equates to 7.18% of expected GAG.

The unrestricted (designated and general) reserves and the restricted income funds of the Trust have increased

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from £6,830,421 as at 31st August 2020 to £8,782,086 as at 31st August 2021, which represents an increase of £1,951,665. Of this figure £438,001 is carried forward Covid 19 Catch-up' funding or earmarked PPG funding. These funds will be expended in the 2021-22 financial year.

Of the £8,782,086 reserves as at 31st August 2021 the Trustees continue to work on strategic plans for the following investment projects planned across the Trust in 2021-2022:

- 3 FE expansion at the Clacton County High School site.
- 2 FE expansion at Colne Community School & College.
- Proposed sale of 'The Grange' property at Harwich and Dovercourt High School.
- Significant premises improvements at The Thomas Lord Audley 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 Trustees consider, with the investment in projects listed above and the risks and uncertainties outlined elsewhere in this report, the level of reserves held by the Trust to be appropriate for the size of our organisation.

The balance sheet includes a liability of £46,104,000 in relation to the Trust's FRS 102 disclosure of the Local Government Pension Scheme (see pensions note for further details).

The fixed asset reserve fund also stands at £117,911,216 as at 31 August 2021, £117,309,907 of which could not be realised without disposing of tangible fixed assets.

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. Due to the continually reducing available interest rates, the Trust has utilised both a 32 day and 95 day Notice Deposit Accounts. The remaining funds are placed in a savings account which is operated by the Trust to maximise the reserves. These deposits are all low risk options.

Principal Risks and Uncertainties

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

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

- Maintaining standards of education, examination and key stage outcomes, whilst responding to continual Covid 19 uncertainties.
- Complying with, and ensuring updated knowledge of changing legislative requirements relating to, employment law, GDPR legislation, equality and discrimination guidance, Companies House and HRMC requirements and, child protection and safeguarding regulations.
- Future financial viability for pay award recommendations from both the Local Governments and Teacher's

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

- 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 LGC.
- Formal agendas for the Board and Committees.
- Schemes of Delegation and formal Financial Regulations.
- Formal written policies.
- Clear authorisation and approval levels.
- Policies and procedures required by law to protect the vulnerable.
- High quality appointments to all posts within the Trust.

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

Fundraising

Many of the Trust academies undertake charity fundraising events led by the student bodies within their schools; these events can take many forms from, non-uniform days or fundraising for national events such as 'Red Nose Day' or BBC Children in Need. The monies are obtained from sponsorship from family and friends or donations directly made by the students and their families. All event contributions are voluntary and no students are excluded from taking part in events by not 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 continuing Covid -19 restrictions, no fundraising took place during this accounting period.

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. There are no fundraising activities undertaken with external providers.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	13,898,245	11,847,007
Energy consumption break down (kWh) (optional)		
• gas,	9,816,836	7,820,785
• electricity,	4,045,028	3,938,736
• transport fuel	36,381	87,486
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	1,798.1	1,438.0
Owned transport – mini-buses	3.9	4.1
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	858.9	918.3
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	4.9	17.4

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Total gross emissions in metric tonnes CO ₂ e	2,665.7	2377.8
Intensity ratio		
Tonnes CO ₂ e per pupil	0.250	0.231

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 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

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- The BMS system has been upgraded at Monkwick Junior School, improving the ability to control heating efficiently.
- Convector heaters have been replaced to new, more efficient models with improved controls at Monkwick Infant School (5 classrooms) and Thomas Lord Audley School (2 classrooms).
- The roofing has been replaced at Philip Morant School & College with improved insulation, resulting in a lower U-value from 0.35 to 0.18 W/m²K. Along with improved glazing, this is estimated to save 56,175 kWh per year.
- Glazing has been replaced at Philip Morant School & College (in the gym) and Thomas Lord Audley School (the whole main building ground floor) resulting in improved insulation and air tightness.
- Hot water cylinders have been replaced to new more efficient models at Colne Community School & College, St Helena School and Monkwick Infant School, which has also included the removal of some point of use heaters.
- External doors have been replaced at Stanway School and Alton Park Primary School for improved aluminium insulated doors, reducing heat losses.
- Fluorescent light fittings have been replaced with energy efficient LEDs at St Helena School (120 LED panels), Thomas Lord Audley School (82 LED panels), Stanway School (768 LED panels), Philip Morant School (120 LED panels) and Monkwick Infant School (98 LED panels), resulting in more efficient electricity usage.

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 a Strategic Improvement Plan, however, although the Trustees and Executive Team continue to aspire to deliver these objectives, the effect of the continuing Covid-19 pandemic and the uncertainty around when the virus may lead to a normal operating phase, many of these objectives will continue to be reviewed throughout the year and adjusted to meet the circumstances during the period.

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. • 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 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"> • Develop talent management strategies to ensure succession planning is firmly in place. 	The Sigma Trust has the capacity to support existing schools and possible further expansion and leadership is strong in all academies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

To ensure that all schools maintain financial viability by delivering in year balanced budgets, manage reserves and a 5-year strategic plan.	• Fully review impact of the pandemic on the Trust finances and put in place any necessary recovery plans.	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	• To engage with an external body to complete a governance review. • Seek to recruit more Local Governors with an education background to serve on Local Governance Committees	The Board of Trustees and each LGC has governors with the relevant levels of skills and expertise and with effective succession planning.

Funds held as Custodian Trustee on behalf of others

Funds held on behalf of the Area Planning Group are £9,298.77, These are accounted for within The Stanway School accounts.

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 2018 for the provision of the Trust's external auditors.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on **9 December 2021** and signed on its behalf by:


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

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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook, Competency framework for Governors and the NGA's 10 questions for multi academy trusts.

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.

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GOVERNANCE STATEMENT (CONTINUED)

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 10 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	9	10
Steve McGrath, Vice Chair	9	10
Lyn Wright, Chief Executive Officer and Accounting Officer	10	10
Adrian Leggett	5	10
Carol Carlsson Browne	10	10
Bradley Powell	7	10
Kay Maddox-Daines	5	10
Clive Bull	10	10
Sue Hammond	7	10
Bharat Parmar	0	1
Stephen Wyatt	10	10

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 £5k, cash flow forecasts, payroll KPIs and significant variances to budgets .

The Trustees created a third Trustee Committee in September 2019, called the Standards Committee, aimed at ensuring a greater level of debate and scrutiny is placed on the academies' performance outcomes, pupil exclusion, attendance data and SEN provision. Reports are provided by Trust senior Officers which allows scrutiny and challenge from the committee members.

The Trustees undertook a full review of the Governance structure and membership of the NETT teacher training scheme, which led to the newly established ITT Strategic Committee.

During the year the Trustees reviewed their performance against the NGAs 10 questions for Multi Academy Trusts.

For the Financial year 2020-21 the Board now consists of the following sub-committees;

- Trust Finance Committee
- Trust Audit & Risk Committee
- Trust Standards Committee
- Trust ITT Strategic Committee (Established at the March 2020 Board meeting)
- 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

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The following training sessions were identified from the previously completed skills audit and delivered in the 2020-2021 academic year:

- Ofsted & the Governors' roles in relation to Ofsted inspections
- Evaluating the impact of PPG Strategies
- The Curriculum & Governors' roles in relation to the curriculum
- Attendance & behaviour
- Exclusions and referrals

During the Autumn term of the 2021-22 academic year, the Headteachers undertook, as part of their CPD, three planned seminars with an external consultant:

- 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 2021 and Spring 2022 terms.

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

- Received Monthly Management Accounts
- Scrutinised management accounts at each and every meeting
- Agreed to expenditure within its delegated power and made recommendations to the full Board
- Reviewed and recommended to the Board appointment of the Auditors
- Received and challenged Trust benchmarking documents
- Received reports on the Current and forecast of student numbers
- 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 expansions at both The Colne Community School and Clacton County High School.
- Received updates and reports on the Covid Emergency Dispensation Register and impact on the Trusts finances.

Attendance at meetings of the Finance Committee in the 2020-21 year was as follows.

Trustee	Meetings attended	Out of a possible
Bradley Powell	2	4
Steve McGrath (Vice Chair)	4	4
Lyn Wright (CEO & Accounting Officer)	4	4
Clive Bull	4	4
Carol Carlsson Browne	4	4
Adrian Leggett (Chair)	4	4

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

- Agreed and challenged the risk profile scoring of the Trust Risk Management Policy
- Scrutinised and challenged the Internal auditor's reports
- Received reports on the Trust's Estate Management Condition surveys

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Received and challenged reports from the Trust's Chief Network Officers
- Agreed and challenged a suite of policies linked to GDPR legislation and outstanding and new insurance claims

Attendance at meetings of the Audit and Risk Committee in the 2020-21 year was as follows:

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

Lyn Wright (CEO and Accounting Officer) attended the Audit and Risk Committee in her capacity as CEO and not as a Trustee.

The Standards Committee is also a sub-committee of the main Board of Trustees. The Committee met 3 times in the financial year and undertook the following key actions.

- Received and challenged reports from the Director of Education on the Trust's school improvement offer
- Received and challenged reports from the Primary Executive Lead on the performance and school improvement offer for our Primary and Junior Academies.
- Received and challenged reports from the Director of Safeguarding on the Trust's attendance, behavioural and safeguarding analytics and improvement strategies
- Received and challenged school Pupil Premium Grant plans, Covid 19 catch up plans and the outcomes from independent reviews carried out on the impact and quality of education for PPG.

Attendance during the year at meetings of the Standards Committee in the 2020-21 year was as follows:

Trustee	Meetings attended	Out of a possible
Carol Carlsson Browne	3	3
Sue Hammond	2	3
Kay Maddox-Daines	2	3
Nick Pavitt	3	3
Stephen Wyatt (Chair)	3	3
Lyn Wright	3	3

The ITT Strategic Committee is a sub-committee of the main board of Trustees. The newly established Committee met once in the financial year and undertook the following key actions.

- Reviewed and adopted the 2020-2021 Development Plan
- Received and challenged reports from the programme Director on the performance, finances and offer for the scheme
- Received and challenged reports on quality assurance reviews from various members of the strategic board.

Attendance at meetings of the ITT Strategic Committee in the 2020-21 year was as follows:

Trustee	Meetings attended	Out of a possible
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Carol Carlsson Browne (Chair)	1	1
Sue Hammond	1	1
Lyn Wright	1	1

Review of value for money

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

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

- Undertaking a number of contractual reviews across the estates department leading to joint procurement of a number of statutory inspections including; Gas and Plant Servicing, Security and Fire servicing reducing costs across the Trust by c£35k per annum.
- Working in partnership with Essex County Council and the Crown Commercial Service, to receive £106k of section 106 monies to replace two failing classroom buildings with a net zero two classroom building and an enhanced multi use play area for the EYFS students at the Holland Park Primary School.
- Carried out internal and external reviews on the ICT infrastructure leading to two whole trust joint procurement exercises procuring over 600 devices saving an estimated 30% against individual procurement activities.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust's 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 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust's is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1st September 2020 to 31st August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 for 2020-21.

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

- Review of Trust Financial Statements as at 31 August 2020, management letter internal action plan,
- A review of the payroll procedures relating to starters,
- A review of the payroll procedures relating to leavers,
- A review of the monthly payroll operation, and
- A review of the processing of monthly payroll outputs.
- A review of the PAYE questionnaire completed by the Finance Team for a HMRC review
- A review of the HMRC Worksheet in relation to the treatment of VAT of external lettings for a HMRC review

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
- Findings of the Finance Committee
- Findings 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, the Trust's Management Accountant 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 work of the executive managers within the Academy Trust's 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.

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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on
their behalf by:

9 December 2021

and signed on


.....
Nick Pavitt
Chair of Trustees


.....
Lyn Wright
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Sigma Trust I have considered my responsibility to notify the academy 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 2020.

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 2020.

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.

L. A. Wright

Lyn Wright
Accounting Officer

Date: 9 December 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 . 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 2020 to 2021;
- 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
9 December 2021 and signed on its behalf by:

.....
ND Pavitt
Nick Pavitt

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

Opinion

We have audited the financial statements of The Sigma Trust (the 'academy') for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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**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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured the engagement team had the necessary skills and knowledge to identify non-compliance with applicable laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and for those that are most significant, we enquired into how management ensures compliance is maintained.

We identified that the principal risks of non-compliance with laws and regulations related to the DfE/ESFA regulatory industry that the Academy operates in. This affects the ability to continue trading as an Academy Trust. Other relevant laws and regulations of note include health and safety.

Enquiry and review of the entity's transactions was undertaken to highlight any instances of penalties, fines or legal activity which could suggest non-compliance with laws and regulations. There was no contradictory evidence found.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006, Accounts Directions and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the override of delegated authorities and the misappropriation of grant funding.

In response, we incorporated testing of procurement and expenditure and any other entries at risk of falling outside of delegated authorities.

Scrutiny of unusual transactions and analytical procedures were used to help identify risk factors in monies received and expended during the year.

It is also stated, as a reminder, that the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

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.

THE SIGMA TRUST
(A company limited by guarantee)

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

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:

10 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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)

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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) Analytical review as part of the consideration of whether general activities of the academy trust are within the academy trusts framework of authorities
- b) Confirmation that items have been appropriately authorised in accordance with the academy trust's delegated authorities. Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- c) Performing of sample testing of expenditure & procurement and review against specific terms of grant funding within the funding agreement.
- d) Review and testing of the systems surrounding the management of related party transactions.
- e) Consideration of governance activities in line with ESFA expectations.

The extent of work performed was based upon our professional judgement, informed by the assessment of the risk of material irregularity, impropriety and non-compliance.

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 2020 to 31 August 2021 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: 10 December 2021

THE SIGMA TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	80	-	3,308	3,388	7,057
Charitable activities:	4					
Funding for the academy trust's educational operations		-	64,566	-	64,566	58,486
Teaching schools	35	-	622	-	622	526
Other trading activities	5	705	1,219	-	1,924	2,289
Investments	6	28	-	-	28	23
Total income		813	66,407	3,308	70,528	68,381
Expenditure on:						
Charitable activities:	8					
Academy trust educational operations		33	68,543	3,241	71,817	66,611
Teaching schools	35	-	530	2	532	471
Total expenditure		33	69,073	3,243	72,349	67,082
Net income/(expenditure)		780	(2,666)	65	(1,821)	1,299
Transfers between funds	22	-	244	(244)	-	-
Net movement in funds before other recognised gains/(losses)		780	(2,422)	(179)	(1,821)	1,299
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	-	(1,538)	-	(1,538)	(2,545)
Net movement in funds		780	(3,960)	(179)	(3,359)	(1,246)

THE SIGMA TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Reconciliation of funds:						
	22					
Total funds brought forward		5,240	(39,381)	118,090	83,949	85,195
Net movement in funds		780	(3,960)	(179)	(3,359)	(1,246)
Total funds carried forward		6,020	(43,341)	117,911	80,590	83,949

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

The notes on pages 37 to 77 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021


	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	15	-	6
Tangible assets	16	117,310	116,691
		<u>117,310</u>	<u>116,697</u>
Current assets			
Stocks	17	43	41
Debtors	18	2,663	2,200
Cash at bank and in hand		12,110	11,086
		<u>14,816</u>	<u>13,327</u>
Creditors: amounts falling due within one year	19	(5,379)	(5,036)
Net current assets		<u>9,437</u>	<u>8,291</u>
Total assets less current liabilities		<u>126,747</u>	<u>124,988</u>
Creditors: amounts falling due after more than one year	20	(53)	(67)
Net assets excluding pension liability		<u>126,694</u>	<u>124,921</u>
Defined benefit pension scheme liability	29	(46,104)	(40,972)
Total net assets		<u>80,590</u>	<u>83,949</u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	22	117,911	118,090
Restricted income funds	22	2,763	1,591
		<u>120,674</u>	<u>119,681</u>
Restricted funds excluding pension asset	22	120,674	119,681
Pension reserve	22	(46,104)	(40,972)
Total restricted funds	22	<u>74,570</u>	<u>78,709</u>
Unrestricted income funds	22	<u>6,020</u>	<u>5,240</u>
Total funds		<u>80,590</u>	<u>83,949</u>

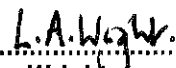
THE SIGMA TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07926573

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 32 to 77 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

9 December 2021


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


.....
Lyn Wright
(Trustee)

The notes on pages 37 to 77 form part of these financial statements.

THE SIGMA TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	1,544	1,113
Cash flows from investing activities	25	(520)	(764)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,024	349
Cash and cash equivalents at the beginning of the year		11,086	10,737
Cash and cash equivalents at the end of the year	26, 27	<hr/> 12,110 <hr/>	<hr/> 11,086 <hr/>

The notes on pages 37 to 77 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 2021

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 2020 to 2021 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 2021**

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.

- **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 2021**

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 2021

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 straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line (10% straight line on MUGA)
Long-term leasehold property	- 2% straight line
Furniture and equipment	- 20% straight line (5% straight line on solar panels)
Computer equipment	- 25% straight line
Motor vehicles	- 20% 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 £6.039 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 2021**

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 2021**

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 NCTL.

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 2021

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 2021

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations					
Academies transfer in	-	-	-	-	4,055
	-	-	-	-	4,055
Donations	80	-	256	336	19
Capital Grants	-	-	3,052	3,052	2,983
Subtotal	80	-	3,308	3,388	3,002
Total 2021	80	-	3,308	3,388	7,057
<i>Total 2020</i>	696	(2,294)	8,655	7,057	

THE SIGMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the academy's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
DfE/ESFA grants			
General Annual Grant	54,727	54,727	50,886
Other DfE/ESFA grants			
Pupil Premium	2,974	2,974	2,881
UIFSM	112	112	106
Rates Reclaim	318	318	317
PE Grant	76	76	73
Teachers Pay and Pension Grant	2,670	2,670	2,573
FSM Supplementary Grant	153	153	66
Year 7 Catch-up	-	-	158
Other DfE Group grants	-	-	6
	-	61,030	57,066
Other Government grants			
Local Authority SEN income	845	845	639
Other Government grants	1,152	1,152	704
	1,997	1,997	1,343
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	830	830	-
Coronavirus exceptional support	-	-	77
Summer Schools programme	368	368	-
FSM additional cost funding	63	63	-
	1,261	1,261	77
COVID-19 additional funding (non-DfE/ESFA)			
COVID mass test funding	278	278	-
	278	278	-
Total 2021	64,566	64,566	58,486
<i>Total 2020</i>	<i>58,486</i>	<i>58,486</i>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines

THE SIGMA TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the academy's educational operations (continued)

under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £830,212 of funding for catch-up premium and costs incurred in respect of this funding totalled £418,893, with the remaining £411,319 to be spent in 2021/22.

All other COVID funding was fully utilised in the year

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Lettings income	196	-	196	190
Music services income	-	36	36	38
Trip income	-	31	31	348
Catering income	-	1,048	1,048	1,055
Other income	509	104	613	658
Total 2021	705	1,219	1,924	2,289
<i>Total 2020</i>	<i>805</i>	<i>1,484</i>	<i>2,289</i>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	28	28	23
<i>Total 2020</i>	<i>23</i>	<i>23</i>	

THE SIGMA TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	<i>Total 2020 £000</i>
Educational operations:					
Direct costs	41,246	3,252	4,295	48,793	45,808
Allocated support costs	14,515	4,573	3,935	23,023	20,803
Teaching school	409	23	100	532	471
Total 2021	<u>56,170</u>	<u>7,848</u>	<u>8,330</u>	<u>72,348</u>	<u>67,082</u>
<i>Total 2020</i>	<u>51,821</u>	<u>7,165</u>	<u>8,096</u>	<u>67,082</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Educational operations	33	71,784	71,817	66,611
<i>Total 2020</i>	<u>42</u>	<u>66,569</u>	<u>66,611</u>	

Summary by expenditure type

	Staff costs 2021 £000	Depreciation 2021 £000	Other costs 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Educational operations	55,761	3,241	12,815	71,817	66,611
<i>Total 2020</i>	<u>51,472</u>	<u>3,392</u>	<u>11,747</u>	<u>66,611</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational operations	48,793	23,023	71,816	66,611
<i>Total 2020</i>	<i>45,808</i>	<i>20,803</i>	<i>66,611</i>	

Analysis of direct costs

	Educational operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	41,246	41,246	38,189
Depreciation	3,241	3,241	3,392
Other educational services	514	514	227
Education supplies	1,027	1,027	1,140
Examination fees	657	657	610
Staff development	248	248	181
Educational consultancy	730	730	908
Other direct costs	200	200	316
Security and transport	121	121	135
Technology costs	809	809	710
	48,793	48,793	45,808
<i>Total 2020</i>	<i>45,808</i>	<i>45,808</i>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Pension finance cost	635	635	641
Staff costs	14,515	14,515	13,283
Recruitment and support	171	171	6
Maintenance of premises and equipment	3,231	3,231	2,390
Cleaning	401	401	329
Rent and Rates	348	348	378
Insurance	229	229	240
Security and transport	32	32	84
Catering	1,028	1,028	999
Technology costs	292	292	331
Utilities	1,203	1,203	1,129
Legal fees - other	42	42	30
Bank interest and charges	1	1	-
Other support costs	853	853	915
Audit and accountancy	42	42	48
	<u>23,023</u>	<u>23,023</u>	<u>20,803</u>
<i>Total 2020</i>	<u>20,803</u>	<u>20,803</u>	

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	<i>2020</i>
	£000	<i>£000</i>
Operating lease rentals	228	190
Depreciation of tangible fixed assets	3,246	3,380
Amortisation of intangible assets	6	12
Gain on disposal of fixed assets	(9)	-
Fees paid to auditors for:		
- audit	27	27
- other services	15	21
	<u> </u>	<u> </u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	40,295	37,664
Social security costs	3,615	3,370
Pension costs	11,984	10,343
	<u>55,894</u>	<u>51,377</u>
Agency staff costs	248	419
Staff restructuring costs	28	25
	<u>56,170</u>	<u>51,821</u>

Staff restructuring costs comprise:

	2021	<i>2020</i>
	£000	<i>£000</i>
Severance payments	28	25
	<u>28</u>	<u>25</u>

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

There are no non-statutory/non-contractual severance payments in the year (2020: £4,000 and £893).

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11. Staff (continued)

c. Staff numbers

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

	2021 No.	<i>2020 No.</i>
Teachers	697	648
Administration and support	796	802
Management	14	14
	<u>1,507</u>	<u>1,464</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	<i>2020 No.</i>
Teachers	621	574
Administration and support	525	560
Management	14	14
	<u>1,160</u>	<u>1,148</u>

d. Higher paid staff

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

	2021 No.	<i>2020 No.</i>
In the band £60,001 - £70,000	28	26
In the band £70,001 - £80,000	14	10
In the band £80,001 - £90,000	4	3
In the band £90,001 - £100,000	4	4
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	2	-
	<u>2</u>	<u>-</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

e. Key management personnel (continued)

employer national insurance contributions) received by key management personnel for their services to the academy was £738,199 (2020 £746,627).

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% (2020: 4.5%) of the General Annual Grant (including 16-19 allocation for relevant schools) but excluding Bursary and PFI income but including Teachers Pay and Pension Grant.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Clacton County High School	406	358
Colne Community School and College	300	282
Harwich and Dovercourt High School	285	264
Monwick Infants School	44	40
Monkwick Junior School	53	54
Philip Morant School and College	411	362
St Helena School	244	223
The Stanway School	325	279
Thomas Lord Audley School	207	186
Alton Park Junior School	89	88
Holland Park Primary School	77	68
Paxman Academy	91	48
Total	2,532	2,252

13. Trustees' remuneration and expenses

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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:

		2021	<i>2020</i>
		£000	<i>£000</i>
Jeff Brindle, Chief Executive Officer (to 31/08/20)	Remuneration	0	<i>100-105</i>
	Pension contributions paid	0	<i>25-30</i>
Lyn Wright Chief Executive Officer and Accounting Officer	Remuneration	125 - 130	<i>0</i>
	Pension contributions paid	30 - 35	<i>0</i>

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £225).

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Intangible assets

	Computer software £000
Cost	
At 1 September 2020	27
At 31 August 2021	<u>27</u>
Amortisation	
At 1 September 2020	21
Charge for the year	6
At 31 August 2021	<u>27</u>
Net book value	
At 31 August 2021	<u>-</u>
At 31 August 2020	<u>6</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2020	95,684	25,151	1,571	1,376	2,013	45	125,840
Additions	9	344	2,704	139	761	-	3,957
Disposals	-	-	(89)	-	-	(19)	(108)
Transfers between classes	2,542	11	(2,588)	-	35	-	-
At 31 August 2021	98,235	25,506	1,598	1,515	2,809	26	129,689
Depreciation							
At 1 September 2020	5,912	1,097	-	678	1,440	22	9,149
Charge for the year	2,203	508	-	207	323	5	3,246
On disposals	-	-	-	-	-	(17)	(17)
At 31 August 2021	8,115	1,605	-	885	1,763	10	12,378

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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 2021	90,120	23,901	1,598	630	1,046	16	117,311
At 31 August 2020	89,773	24,054	1,571	697	573	23	116,691

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Stocks

	2021	<i>2020</i>
	£000	<i>£000</i>
Finished goods and goods for resale	43	<i>41</i>

18. Debtors

	2021	<i>2020</i>
	£000	<i>£000</i>
Due after more than one year		
Other debtors	-	<i>57</i>
	-	<i>57</i>
Due within one year		
Trade debtors	51	<i>77</i>
Other debtors	1,324	<i>1,019</i>
Prepayments and accrued income	713	<i>596</i>
Tax recoverable	575	<i>451</i>
	2,663	<i>2,200</i>

19. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Trade creditors	1,092	<i>526</i>
Other taxation and social security	952	<i>870</i>
Other creditors	1,166	<i>1,831</i>
Accruals and deferred income	2,169	<i>1,809</i>
	5,379	<i>5,036</i>
	2021	<i>2020</i>
	£000	<i>£000</i>
Deferred income		
Deferred income at 1 September 2020	609	<i>475</i>
Resources deferred during the year	514	<i>609</i>
Amounts released from previous periods	(609)	<i>(475)</i>
Deferred income at 31 August 2021	514	<i>609</i>

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19. Creditors: Amounts falling due within one year (continued)

2021	<i>2020</i>
£000	<i>£000</i>

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

2021	<i>2020</i>
£000	<i>£000</i>

Loans	53	<i>67</i>
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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. Repayments commenced in 2017/18. The repayments falling due within one year of £7,759 are included in other creditors. The loan is repayable within 5 years.

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 loan is repayable within 5 years.

Alton Park School has an interest free Salix loan relating to a water distribution project, repayable over 8 years, interest free. Repayments commence in September 2021. The repayments falling due within one year are £1,680 and are included in other creditors. The balance due after 5 years payable by instalments is £4,229.

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21. Financial instruments

	2021 £000	2020 £000
Financial assets		
Financial assets measured at fair value through income and expenditure	12,110	11,086
Financial assets that are debt instruments measured at amortised cost	1,374	1,152
	<u>13,484</u>	<u>12,238</u>
	2021 £000	2020 £000
Financial liabilities		
Other financial liabilities measured at fair value through income and expenditure	(3,966)	(3,624)

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Designated funds						
MUGA replacement	104	-	-	40	-	144
General funds						
General Funds - all funds	5,136	813	(33)	(40)	-	5,876
Total Unrestricted funds	5,240	813	(33)	-	-	6,020
Restricted general funds						
General Annual Grant	1,280	61,405	(58,234)	(2,572)	-	1,879
North Essex Teacher Training	215	622	(532)	-	-	305
Pupil premium	-	2,973	(2,947)	-	-	26
Paxman Academy funding	96	146	(71)	(29)	-	142
COVID Catch-up funding	-	830	(419)	-	-	411
Summer Schools programme	-	368	(368)	-	-	-
FSM additional funding	-	63	(63)	-	-	-
Pension reserve	(40,972)	-	(6,439)	2,845	(1,538)	(46,104)
	(39,381)	66,407	(69,073)	244	(1,538)	(43,341)
Restricted fixed asset funds						

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Tangible fixed assets	116,691	-	(3,237)	3,856	-	117,310
Intangible fixed assets	6	-	(6)	-	-	-
ESFA Capital grants	1,308	3,308	-	(4,015)	-	601
Sigma Sixth - CCHS	85	-	-	(85)	-	-
	<u>118,090</u>	<u>3,308</u>	<u>(3,243)</u>	<u>(244)</u>	<u>-</u>	<u>117,911</u>
Total Restricted funds	78,709	69,715	(72,316)	-	(1,538)	74,570
Total funds	83,949	70,528	(72,349)	-	(1,538)	80,590

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

During the year £244,029 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

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22. Statement of funds (continued)

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.

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 2021.

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22. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £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 2020 £000</i>
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)
Tangible fixed assets	110,981	5,477	(3,380)	3,613	-	116,691
Intangible fixed assets	18	-	(12)	-	-	6

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22. Statement of funds (continued)

	<i>Balance at 1 September 2019 £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 2020 £000</i>
ESFA Capital grants	1,042	2,857	-	(2,591)	-	1,308
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>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Clacton County High School	1,394	1,248
Colne Community School & College	1,235	1,084
Harwich and Dovercourt High School	436	346
Monkwick Infants School	345	382
Monkwick Junior School	163	143
North Essex Teacher Training	292	215
Philip Morant School & College	1,028	597
St Helena School	541	453
The Sigma Trust Central Services	483	259
The Stanway School	1,361	934
Thomas Lord Audley School	229	145
Alton Park Junior School	478	604
Holland Park Primary School	415	332
Paxman Academy	383	89
Total before fixed asset funds and pension reserve	<u>8,783</u>	<u>6,831</u>
Restricted fixed asset fund	<u>117,911</u>	<u>118,090</u>

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22. Statement of funds (continued)

	2021 £000	<i>2020</i> <i>£000</i>
Pension reserve	(46,104)	<i>(40,972)</i>
Total	80,590	<i>83,949</i>

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 2021 £000	<i>Total 2020 £000</i>
Clacton County High School	6,538	1,341	161	3,179	11,219	<i>10,222</i>
Colne Community School & College	4,624	1,481	126	996	7,227	<i>6,917</i>
Harwich and Dovercourt High School	4,599	1,509	106	1,077	7,291	<i>6,996</i>
Monkwick Infants School	871	373	16	199	1,459	<i>1,437</i>
Monkwick Junior School	1,039	292	32	155	1,518	<i>1,539</i>
North Essex Teacher Training	342	58	7	112	519	<i>471</i>
Philip Morant School & College	6,394	1,985	108	1,676	10,163	<i>9,425</i>
St Helena School	3,746	1,290	98	1,068	6,202	<i>5,671</i>
The Sigma Trust Central Services	575	2,060	26	521	3,182	<i>3,119</i>
The Stanway School	5,099	1,333	123	1,041	7,596	<i>6,923</i>
Thomas Lord Audley School	3,290	1,237	92	901	5,520	<i>4,828</i>

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22. Statement of funds (continued)

	Teaching & educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Alton Park Junior School	1,848	647	49	315	2,859	2,561
Holland Park Primary School	1,261	540	34	230	2,065	1,828
Paxman Academy	1,370	428	57	431	2,286	1,753
Academy	41,596	14,574	1,035	11,901	69,106	63,690

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	117,310	117,310
Current assets	6,020	8,195	601	14,816
Creditors due within one year	-	(5,379)	-	(5,379)
Creditors due in more than one year	-	(53)	-	(53)
Provisions for liabilities and charges	-	(46,104)	-	(46,104)
Total	6,020	(43,341)	117,911	80,590

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23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
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	5,240	(39,381)	118,090	83,949

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £000	2020 £000
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,821)	1,299
Adjustments for:		
Amortisation	6	12
Depreciation	3,246	3,380
Capital grants from DfE and other capital income	(3,308)	(2,826)
Interest receivable	(28)	(23)
Defined benefit pension scheme obligation inherited	-	2,614
Defined benefit pension scheme cost less contributions payable	2,959	2,092
Defined benefit pension scheme finance cost	635	641
Increase in stocks	(2)	(8)
Increase in debtors	(463)	(42)
Increase/(decrease) in creditors	329	(548)
Gain on disposal of fixed assets	(9)	-
Transfer in of academies	-	(6,668)
Reserves transferred in on academies joining the trust	-	996
Capital grants transferred on academies joining the trust	-	194
Net cash provided by operating activities	1,544	1,113

25. Cash flows from investing activities

	2021 £000	2020 £000
Interest receivable	28	23
Purchase of tangible fixed assets	(3,957)	(3,613)
Proceeds from the sale of tangible fixed assets	12	-
Capital grants from DfE Group and LA	3,308	2,826
Asset under construction transferred to revenue expenditure	89	-
Net cash used in investing activities	(520)	(764)

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26. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	12,110	11,086
Total cash and cash equivalents	12,110	11,086

27. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	11,086	1,024	12,110
	11,086	1,024	12,110

28. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	165	1,031

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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 £1,037,540 were payable to the schemes at 31 August 2021 (2020 - £1,645,566) 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.

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29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £6,202,323 (2020 - £5,716,280).

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 2021 was £3,547,000 (2020 - £3,209,000), of which employer's contributions totalled £2,845,000 (2020 - £2,553,000) and employees' contributions totalled £ 702,000 (2020 - £656,000). The agreed contribution rates for future years are 22.7% -25.0% per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

Essex Pension Fund

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.27
Rate of increase for pensions in payment/inflation	2.90	2.27
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.27
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:

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

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29. Pension commitments (continued)

Sensitivity analysis

Essex Pension Scheme

	2021 £000	2020 £000
Discount rate +0.1%	2,120	1,743
Discount rate -0.1%	(2,174)	(1,787)
Mortality assumption - 1 year increase	(2,174)	(1,787)
Mortality assumption - 1 year decrease	3,394	2,585
CPI rate +0.1%	(163)	32
CPI rate -0.1%	163	(39)
	<u>163</u>	<u>(39)</u>

Share of scheme assets

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

	2021 £000	2020 £000
Equities	26,985	19,632
Gilts	1,063	1,352
Corporate bonds	1,959	1,771
Property	2,942	2,458
Cash and other liquid assets	1,176	860
Alternative assets and other managed funds	8,034	5,602
Total market value of assets	<u>42,159</u>	<u>31,675</u>

The actual return on scheme assets was £7,608,000 (2020 - £736,000).

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

	2021 £000	2020 £000
Current service cost	(5,782)	(4,627)
Interest income	529	514
Interest cost	(1,164)	(1,155)
Administrative expenses	(22)	(18)
Total amount recognised in the Statement of financial activities	<u>(6,439)</u>	<u>(5,286)</u>

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29. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	72,647	57,321
Transferred in on existing academies joining the trust	-	4,889
Current service cost	5,782	4,627
Interest cost	1,164	1,155
Employee contributions	702	656
Actuarial losses	8,617	4,728
Benefits paid	(649)	(729)
At 31 August	88,263	72,647

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

	2021 £000	2020 £000
At 1 September	31,675	24,241
Transferred in on existing academies joining the trust	-	2,275
Interest income	529	514
Actuarial gains	7,079	2,183
Employer contributions	2,845	2,553
Employee contributions	702	656
Benefits paid	(649)	(729)
Administrative expenses	(22)	(18)
At 31 August	42,159	31,675

30. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	227	200
Later than 1 year and not later than 5 years	422	599
	649	799

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31. Other financial commitments

Clacton County High School has a continuing PFI commitment relating to its school premises. The annual contribution for the current year was £1,683,175. (2020: £1,683,369).

The liability from school revenue towards this figure for the year ended 31 August 2022 will be £1,015,250. 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.

Other key commitments, in relation to use of premises for Sigma 6th and the Northern Gateway sports facilities, total £1,100,520.

32. Members' liability

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

33. Related party transactions

Owing to the nature of the 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.

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.

During the year the Trust had transactions with Learning Pathways Academy. The Trust purchased a range of services totalling £262,245 (2020: £341,896) and supplied services of £nil (2020: £49,338). At 31 August 2021 £nil was owed by the Trust to Learning Pathways Academy (2020: £53,089).

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 their relationship to an SMT member.

During the year, Mr S. Ling was appointed as a Member of the Sigma Trust. Mr Ling is the father of an employee who is contracted as a Teacher at the Philip Morant School and College. This employee has had continuous service at the school since the 1st September 2008 and has received no special treatment as a result of their relationship to a member.

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NOTES TO THE FINANCIAL STATEMENTS
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34. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2021 the trust received funding of £52,570. £63,244 of funding was distributed. An amount of £7,506 (2020: £18,180) 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 2021 bursary funding of £550,900 (2020: £502,000) was received and £531,534 (2020: £501,000) was distributed. The balance of £17,366 (2020: £4,000) is included in other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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35. Teaching school trading account

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
Direct income				
SLE Income	595		492	
Other direct income	27		34	
Total direct income		(622)		(526)
Other income				
Total other income		-		-
Total income		622		526
Expenditure				
Direct expenditure				
Direct staff costs	350		293	
Other direct costs	77		58	
Total direct expenditure	427		351	
Other expenditure				
Other staff costs	59		56	
Other depreciation	2		-	
Utilities	3		7	
Rent	17		17	
Audit and accountancy	1		3	
Technology costs	2		6	
Other support costs	21		27	
Travel expenses	-		4	
Total other expenditure	105		120	
Total expenditure		532		471
Surplus from all sources		90		55
Teaching school balances at 1 September 2020		215		160
Teaching school balances at 31 August 2021		305		215