

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1
Trustees' Report	2 - 8
Governance Statement	9 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditors' Report on the Financial Statements	15 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Statement of Financial Activities Incorporating Income and Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 45

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Members	University of Exeter Exeter College J Kay J Laramy
Trustees	T Bailey ² K Burnham, Headteacher ^{1,2} L Cantle ² J French, Resigning Chair (resigned 27 August 2018) ¹ P Jenkinson ² S Kiff (resigned 2 January 2018) ¹ J Laramy (resigned 27 August 2018) ¹ A Oxborough, Appointed Chair ² T Paulden ² L Peka ¹ D Tarbet ¹ P Vukusic ² N Williamson (resigned 27 August 2018) ¹ J Davoile (appointed 28 September 2017) J Kay (resigned 27 August 2018)

¹ Finance and Resources Committee

² Curriculum and Student Experience Committee

Company registered number	08515877
Company name	Exeter Mathematics School
Principal and registered office	Rougemont House Castle Street Exeter Devon EX4 3PU
Accounting Officer	K Burnham
Senior management team	K Burnham, Head Teacher J Rowing, Deputy Head W Denford, Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank 234 High Street Exeter Devon EX4 3NL

**EXETER MATHEMATICS SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 16 to 19 in Cornwall, Devon, Dorset and Somerset. It has a pupil capacity of 120 and had a roll of 125 in the school census on 1 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees of Exeter Mathematics School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Exeter Mathematics School.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 10 Trustees who are appointed – five by the University of Exeter and five by Exeter College.
- a minimum two Parent Trustees
- one staff Trustee
- the Headteacher who is treated for all purposes as being an ex officio Trustee
- the Articles of Association permit the Academy to co-opt Trustees

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher or to parent trustees. Parent trustees are appointed for two years or for the duration of their child's enrolment at Exeter Mathematics School, whichever is shorter. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

The Board undertakes an annual skills audit to evaluate the breadth and depth of a range of skills across the Board. This is reviewed by the Governance Committee to ensure that the Board has the necessary skills to contribute fully to the School's development and identify whether there are any skills gaps that either need filling through Trustee recruitment or through Trustee training. Trustee recruitment can then be specifically targeted to fill skills gaps.

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

The Skills audit also helps to identify which Trustees will most effectively act as link governors for each area of the School.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and an opportunity to meet staff and students. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Clerk to the Trustees follows an induction checklist to ensure that new Trustees have all the necessary information and support needed to fulfil their role with confidence

Trustees that have no prior school governance experience will receive specific training for new Trustees. The School subscribes to Babcock LDP's governor support service to provide this, and other training and support.

All Trustees are provided with copies or have access to all policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. There is also an online Trustees' Manual that the School has developed which brings key information and documents to enable Trustees to understand more about the School, its context, their role as a Trustee and the framework for governance at the School.

Organisational Structure

The Board of Trustees normally meets four times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for review and ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. Link Governors are assigned key aspects of the School's function to scrutinise. Their findings are shared at the relevant committees to ensure trustees have an accurate understanding of current practice.

There are 5 committees as follows;

- Finance and Resources Committee - this meets four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the internal auditors and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum and Student Experience Strategy Committee - this meets four times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Appeals Committee - this meets as necessary to deal with all matters relating to admissions appeals.
- Governance Committee – this meets three times a year and advises the Board on all matters relating to governance including the skills required of and the training to be undertaken by governors, succession planning and any other matters which the Board remits to it.
- Strategy Committee – this meets twice a year to ensure clarity of vision, ethos and strategic direction and to advise the Board on strategic priorities.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the School Improvement Plan and budget and all other matters required by law to be taken by it.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteacher and the Business Manager.

The Headteacher is the Accounting Officer.

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis.

All Trustees give their time freely and no Trustee received remuneration in the year for their role as Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The Headteacher is appraised by the Chair and Vice-Chair of Trustees and is set targets that reflect the School's priorities as laid out in the School Improvement Plan. Key Performance Indicators are used to measure success.

The Headteacher's pay is set at the appraisal meeting with due regard for the size and nature of the school in addition to the performance of the Headteacher during the preceding year.

The Deputy Headteacher, Assistant Headteacher and School Business Manager are line-managed by the Headteacher in accordance with the School's performance management policy. Their remuneration is determined by the School's salary scale; progression within that scale is dependent on performance. The school salary scales are reviewed by the pay review group each year and adjusted for changes to cost of living.

Connected Organisations, including Related Party Relationships

Whilst Exeter Mathematics School Academy is sponsored by the University of Exeter and Exeter College, neither exercises control or significant influence over its decisions and operations.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a 16 to 19 academy, offering a curriculum appropriate to the needs of its students, with a strong emphasis on Mathematics and its applications.

Objectives, Strategies and Activities

Key priorities for the period were:

- Provide an outstanding educational experience for our students
- Maintain high Value Added Scores in our second set of A-levels
- Recruit 60 students to join the school in September 2017
- Develop the school's outreach programme to include support for teachers and meet the needs of high achieving students from Cornwall, Devon, Dorset and Somerset
- Secure long-term bursary funding to support students in accommodation

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Students at Exeter Mathematics School significantly benefit from attending the school, making academic progress beyond the norm for sixth form education, as evidenced by their high value added score; estimated to be 0.56 across all subjects last year (official figures are available in January). In addition, drawing on the expertise and inspiration of University of Exeter academics and local industry leaders, we provide a unique curriculum that prepares students for the rigours of research and the independence required to succeed at University. By creating an environment in which young mathematicians and scientists can thrive, we are making an effective contribution to the supply of capable undergraduates into STEM, hence meeting a national need.

Furthermore, Exeter Mathematics School is committed to benefitting students and schools within the region it

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

serves through the ongoing support and development of teaching and by offering a comprehensive outreach programme to students. In the past twelve months we have afforded enrichment and challenge opportunities to hundreds of students within the region, from year 6 through to year 13; activities have included masterclasses, residential summer schools, competitions, careers assemblies, problem solving workshops, GCSE enhancement courses, and Physics and Mathematics Student Communities. We have also supported teachers to enhance their own practice through the Teacher Subject Specialist Training, subject network meetings and PhysMaths: an annual conference for non-specialist teachers of Physics and Mathematics. We support other providers by offering the school as a central venue for mathematics related activities such as teacher CPD, NCETM meetings and student events with the AMSP.

STRATEGIC REPORT

Achievements and Performance

The School has successfully met its key priorities. The educational experience of students indicates outstanding provision: high student and parent satisfaction, exceptional value added scores for qualifications (0.56), high attendance (97%) and retention (100%) of students and high levels of engagement from the University of Exeter and other external providers. In January 2017, the school was judged by Ofsted to be Outstanding in all areas.

The high Value Added score of 0.56 for students' academic qualifications has matched the score achieved in the previous year (official figures are available in January), indicating that students at EMS achieve, on average, over half a grade higher per subject than expected based on their GCSE results.

The school is oversubscribed for 2018 and has continued to attract applicants from all four counties.

We have expanded our outreach programme, offering more opportunities to students in the South West but most significantly, building on our work with teachers. Our CPD conference (PhysMaths) for non-specialist teachers of Physics and Mathematics, expanded further, providing training to over 90 delegates. We have also run our first events as the lead school for the South West for the Institute of Physics (IOP) which have been extremely successful. In the coming year our outreach programme will develop to include Computer Science provision.

Now at full capacity for our third year, we have moved from a phase of establishing excellence to sustaining and further improving our service.

Key Performance Indicators

The proportion of female students has remained at approximately 30%, having risen from 20% in our set up year. Whilst we are pleased to sustain the level of interest, this remains an area for development. Nationally, the proportion of female students taking Physics is approximately 20% and for Computing is approximately 8%. Through our work with the IOP we aim to change perceptions of Physics in the South West, thereby having a positive impact on the recruitment of female students into Physics at both EMS and other providers. We recognise that this will take time and measurable results may take a number of years. We are not complacent and will continue to strive to achieve a higher proportion of female applicants.

KPI	2017/18	2016/17
Attendance	97%	97.3%
Retention	100%	99%
Proportion of Female Students	28%	29%
Pass Rate	100%	99%
Average A-level Grade	A-	B+
Average A-Level point Score	46.9	44.33
A-Level Value Added	0.56	0.55
% of students with AAB or better with two facilitating subjects	54%	56%
Students 'Best 3' Average grade	A-	A-
Average points per entry in best 3 A-levels	46.7	45.88
Total In Year Surplus/(Deficit)	(£31,817)	£15,035
In year Surplus as % of income	0%	1.19%
Total Free Reserves	£375,610	£362,390

**EXETER MATHEMATICS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Total Reserves as a % of income (not including capital income)	32.44%	28.77%
Staff Costs as % of GAG	88.43%	76.38%
Total staff costs as a % of income (not including capital income)	57.39%	50.63%
Expenditure per student	£10,449	£9,539

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Financial Review

The income and expenditure of the Academy Trust in maintaining the Exeter Mathematics School are set out within the Statement of Financial Position.

During the period ended 31 August 2018, total expenditure (excluding restricted fixed asset funds and the pension fund) of £1,148,484 (2017: £1,125,601) was covered by grant funding from the ESFA, together with other incoming resources of £1,172,437 (2017: £1,259,373). The excess of income over expenditure for the year was £23,953 (2017:£133,772).

At 31 August 2018 the net book value of fixed assets was £1,938,477 (2017: £1,996,767) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Board of Trustees has continued to manage its boarding provision as an important element in broadening student access to EMS throughout Cornwall, Devon, Dorset and Somerset. At 31 August 2018 the cumulative deficit was £25,956 due to unexpected clawbacks. This deficit will be covered by future surpluses.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The policy of the Governors is to maintain a level of reserves that will be adequate to ensure the stability of the Academy's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

The level of reserves will be determined by governors annually and can fluctuate depending on operational needs. However the Trustees have determined that the Academy should aim to hold a minimum of £100,000 but not more than £500,000 in reserve. Actual reserves at the end of the year were £380,351 which is within the policy.

The reason for this level of reserve is due to the Academy's vulnerability to factors regarding income provision that remain outside its own control whilst ensuring sufficient working capital. This level of reserves will adequately cover unforeseen emergencies or unexpected needs for funds, and provide a suitable contingency fund to ensure the Academy is protected from the risk of insolvency or serious endangerment to their core purpose in advancing education within the United Kingdom.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Financial Risks and Uncertainties – ESFA funding for residential student bursaries has been supplied for three years. Bursary funding has now been secured for three further years with a commitment from the ESFA to review the need of these bursaries on a three-yearly basis. Having successfully recruited students from low-income families, the level of funding for bursaries is too low to meet the current need. The Academy is dependent on this to ensure equality of access for all students throughout Cornwall, Devon, Dorset and Somerset.

Governance and Management is a key priority and successful recruitment, retention and training of Trustees with the required skillset is important to ensure governance and management are delivered effectively.

Staffing – success of the Academy is reliant on good staff, the effective selection of students and of supportive parents. Successful recruitment, retention and training of staff will continue to be crucial to the ongoing success of the school.

Fraud and management of funds – regular review of appropriate internal controls, procedures and controlled access to assets reduce the risk of fraud and error to a minimum, especially as there is a small number of staff.

FUNDRAISING

In the current financial year we carried out no significant fund-raising activities.

Students ran some charity events, such as busking and cake-sales. These were monitored by members of staff with oversight provided by the School Business Manager to ensure appropriate management of funds.

We have received no fundraising complaints.

PLANS FOR FUTURE PERIODS

The Academy will continue to provide outstanding education. The Academy's focus continues to be on ensuring that best practice is fully embedded throughout all functions and that excellence is sustainable in the medium to long term.

The Academy will continue to be ambitious in its work with schools across the south west to promote and enhance the study of mathematics and related subjects. It will seek to strengthen links with schools throughout the region with the aim of ensuring that students from all backgrounds are able to benefit from its provision.

Key targets for the year also include: improving recruitment figures for students from outside Devon, recruiting more girls to study at EMS, increasing industry links through recruitment of new governors and development of an alumni network and further improving extra-curricular activities for students at EMS.

The Trustees will aim to maximise the use of the school and its assets.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

No third party indemnity provisions were made during the period or at the date of approval of the Trustees' Report.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:

**A Oxborough
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Exeter Mathematics School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year with the following purpose:

1. To ensure clarity of vision, ethos and strategic direction for the School;
2. To hold the Headteacher to account for the educational performance of the school and its students, and the performance management of staff;
3. To oversee the financial performance of the school and make sure its money is well spent and resources managed responsibly;
4. To promote the success of the School and act in the School's best interests at all times
5. To exercise independent judgement and avoid conflicts of interest
6. To act with reasonable care, skill and diligence

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

Trustee	Meetings attended	Out of a possible
T Bailey	3	4
K Burnham, Headteacher	4	4
L Cante	4	4
J French, Resigning Chair	3	4
P Jenkinson	4	4
S Kiff	0	2
J Laramy	1	4
A Oxborough, Chair	3	4
T Paulden	3	4
L Peka	4	4
D Tarbet	3	4
P Vukusic	3	4
N Williamson	3	4
J Davoile	3	4
J Kay	0	0

Governance reviews:

There were no significant changes to the composition of the Board of Trustees or the governance structure for the year ended 31 August 2018. One co-opted Trustee resigned, but since the Board's financial expertise was considered to be sufficiently strong, time was taken to identify the most appropriate replacement that would enable the school to strengthen its links with industry. A new Trustee was recruited to join the board in the following academic year. There was the appointment of a new parent governor in line with the articles of association.

In April 2018 the annual evaluation of Governance was undertaken by means of a survey of all Trustees. The questions in the survey drew upon the six key features of effective governance (as set out in the Governance Handbook 2017) and also the 20 Key Questions for the Governing Board to Ask Itself (published by the All-Party

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Parliamentary Group on Education, Governance and Leadership). The survey looked at:

1. The Board and its role
2. Skills development and training
3. Finance and Risk
4. Stakeholders
5. Outcomes and data
6. Operations and logistics
7. The Chair

The outcomes from the evaluation were considered by all Trustees at the Board's annual strategy day. The results did not identify any significant challenges for the Board but a number of suggestions for improvements around the presentation of the annual financial accounts, development of governor knowledge through bitesize training sessions and information about the outreach work the school was delivering.

The Finance and Resources Committee is a sub-committee of the main Board of Trustees and is chaired by a qualified accountant and includes a Co-Opted Trustee who is also a qualified management accountant.

The purpose of the Committee is to:

1. To prepare and recommend to the Board the annual budget and a 5-year financial plan
2. To monitor the school's financial performance, including consideration of monthly accounts and reviewing of internal controls and any other management processes, and to make any necessary recommendations to the Board
3. To vire funds and to authorise spending within approved limits
4. To ensure the regular audit of the school's accounts including the appointment of external auditors and to respond to recommendations arising
5. To establish and maintain financial policies including arrangements for delegation to the Committee, the Headteacher and other staff
6. To recommend to the Board and to keep under review a buildings strategy
7. To ensure compliance with Health and Safety legislation
8. To identify and manage risk, ensuring that robust systems are in place for regular monitoring and review, that mitigating action is taken as appropriate, and that all major risks are reported to the Board.

During the year J Davoile, parent Trustee, joined the committee and S Kiff resigned from the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Peka, Chair	4	4
J Davoile	2	3
K Burnham, Headteacher	4	4
S Kiff	0	2
J Laramy	4	4
D Tarbet	4	4
N Williamson	4	4

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring there is comprehensive monitoring of spending and budgets to ensure that all spending is within the school's long term financial plan. This monitoring was undertaken by the Headteacher, School Trustees, and Internal and External Auditors.

GOVERNANCE STATEMENT (continued)

- We have structured purchasing policies and guidelines. In addition, a scheme of delegation clearly states individual levels of authority and accountability for all purchases.
- A Risk Register records all the risks faced by the school, financial and otherwise. This register is reviewed at every Board meeting by Trustees.
- Effective Purchasing we have a dedicated member of staff responsible for all purchasing within the school allowing the academy to seek best value on purchases, and ensuring all transactions are effectively concluded.
- There is a requirement that multiple quotes are obtained for all individual purchases over £1,000 and multiple item purchases over £3,000.
- We discuss purchasing with other local academies at termly review meetings. These meetings facilitate discussion relating to the control of expenditure and best value for money.
- The school takes opportunities to generate additional revenue, most notably through Grant funded Outreach activities. The additional revenue is used by the school to fund spending on educational 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Exeter Mathematics School for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint L Peka (Trustee) and D Tarbet (Trustee) as internal auditors.

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

- Testing of purchasing and procurement processes and procedures
- Testing of VAT compliance

GOVERNANCE STATEMENT (continued)

- Testing of debtor controls and processes

There were no material control issues arising as a result of the internal auditors' work.

At each meeting the internal auditors report to the Board of Trustees, through the Finance and Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on their behalf, by:

**A Oxborough
Chair of Trustees**

**K Burnham
Accounting Officer**

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Exeter Mathematics School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

**K Burnham
Accounting Officer**

Date: 11 December 2018

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

**A Oxborough
Chair of Trustees**

Date: 11 December 2018

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXETER MATHEMATICS SCHOOL

OPINION

We have audited the financial statements of Exeter Mathematics School (the 'Academy') for the year ended 31 August 2018 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXETER MATHEMATICS SCHOOL

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 (incorporating the Strategic Report and Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXETER
MATHEMATICS SCHOOL**

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.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

14 December 2018

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EXETER
MATHEMATICS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Exeter Mathematics School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EXETER MATHEMATICS SCHOOL'S AND THE REPORTING
ACCOUNTANT**

The is responsible, under the requirements of Exeter Mathematics School's funding agreement with the Secretary of State for Education dated 22 May 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EXETER
MATHEMATICS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

14 December 2018

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	5,000	5,970	6,981	17,951	12,723
Charitable activities:						
Funding the Academy's educational operations	4	46,765	818,808	-	865,573	894,153
Provision of boarding activities	4	-	240,637	-	240,637	296,936
Teaching schools	27	-	54,096	-	54,096	60,000
Other trading activities	3	1,161	-	-	1,161	2,041
TOTAL INCOME		52,926	1,119,511	6,981	1,179,418	1,265,853
EXPENDITURE ON:						
Raising funds		576	-	-	576	1,236
Charitable activities:						
Academy educational operations	5	47,030	803,085	69,751	919,866	903,238
Provision of boarding activities	5	-	280,697	-	280,697	295,344
Teaching schools	27	-	54,096	-	54,096	60,000
TOTAL EXPENDITURE	5	47,606	1,137,878	69,751	1,255,235	1,259,818
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		5,320	(18,367)	(62,770)	(75,817)	6,035
Transfers between Funds	16	-	(5,992)	5,992	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		5,320	(24,359)	(56,778)	(75,817)	6,035
Actuarial gains on defined benefit pension schemes	20	-	44,000	-	44,000	9,000
NET MOVEMENT IN FUNDS		5,320	19,641	(56,778)	(31,817)	15,035
RECONCILIATION OF FUNDS:						
Total funds brought forward		7,238	243,152	2,018,930	2,269,320	2,254,285
TOTAL FUNDS CARRIED FORWARD		12,558	262,793	1,962,152	2,237,503	2,269,320

The notes on pages 23 to 45 form part of these financial statements.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08515877**

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		1,938,477		1,996,767
CURRENT ASSETS					
Debtors	13	115,339		109,483	
Cash at bank and in hand		449,714		517,280	
			565,053	626,763	
CREDITORS: amounts falling due within one year	14	(161,027)		(242,210)	
NET CURRENT ASSETS					
			404,026		384,553
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		(105,000)		(112,000)
NET ASSETS					
			2,237,503		2,269,320
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	16	367,793		355,152	
Fixed asset funds	16	1,962,152		2,018,930	
Restricted funds excluding pension liability		2,329,945		2,374,082	
Pension reserve		(105,000)		(112,000)	
Total restricted funds			2,224,945		2,262,082
Unrestricted funds	16		12,558		7,238
TOTAL FUNDS					
			2,237,503		2,269,320

The financial statements on pages 20 to 45 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

**A Oxborough
Chair of Trustees**

The notes on pages 23 to 45 form part of these financial statements.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(63,084)</u>	<u>156,865</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(11,463)	(27,090)
Capital grants from DfE Group		<u>6,981</u>	<u>6,480</u>
Net cash used in investing activities		<u>(4,482)</u>	<u>(20,610)</u>
Change in cash and cash equivalents in the year		(67,566)	136,255
Cash and cash equivalents brought forward		<u>517,280</u>	<u>381,025</u>
Cash and cash equivalents carried forward	19	<u><u>449,714</u></u>	<u><u>517,280</u></u>

The notes on pages 23 to 45 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Exeter Mathematics School constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

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

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 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 period 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 grant are reflected in the balance 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where receipt is probable and it is measurable.

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, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the Academy has provided the goods and services.

1.4 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line
Furniture and fixtures	-	10% - 20% straight line
Computer equipment	-	33% straight line
Assets under construction	-	No depreciation

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

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

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 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 and cash on deposit that has a notice period of less than 30 days.

1.8 LIABILITIES AND PROVISIONS

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

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

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 net income/ expenditure 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.

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

1. ACCOUNTING POLICIES (continued)

1.12 FUND ACCOUNTING

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.14 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 25.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	5,000	5,970	-	10,970	6,243
Capital Grants	-	-	6,981	6,981	6,480
	<u>5,000</u>	<u>5,970</u>	<u>6,981</u>	<u>17,951</u>	<u>12,723</u>
Total 2017	<u>-</u>	<u>6,243</u>	<u>6,480</u>	<u>12,723</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	1,161	-	1,161	2,041
	<u>1,161</u>	<u>-</u>	<u>1,161</u>	<u>2,041</u>
Total 2017	<u>2,041</u>	<u>-</u>	<u>2,041</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	46,765	818,808	865,573	894,153
Boarding	-	240,637	240,637	296,936
	<u>46,765</u>	<u>1,059,445</u>	<u>1,106,210</u>	<u>1,191,089</u>
Total 2017	<u>47,706</u>	<u>1,143,383</u>	<u>1,191,089</u>	

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	760,832	760,832	834,447
Start up Grants	-	-	-	12,000
Other DfE/ESFA grants	-	37,623	37,623	-
	-	798,455	798,455	846,447
Other funding				
Sales to students	39,727	-	39,727	43,263
Educational grants	-	20,353	20,353	-
Other	7,038	-	7,038	4,443
	46,765	20,353	67,118	47,706
	46,765	818,808	865,573	894,153
Total 2017	47,706	846,447	894,153	

5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	-	-	576	576	1,236
Education:					
Direct costs	465,491	33,599	182,369	681,459	723,228
Support costs	99,023	58,908	80,476	238,407	240,010
Boarding:					
Direct costs	77,902	-	5,172	83,074	69,114
Support costs	-	178,008	19,615	197,623	226,230
Teaching schools	30,454	-	23,642	54,096	60,000
	672,870	270,515	311,850	1,255,235	1,319,818
Total 2017	637,562	307,067	315,189	1,259,818	

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

6. DIRECT COSTS

	Education £	Boarding £	Total 2018 £	Total 2017 £
Pension finance costs	3,000	-	3,000	1,000
Educational supplies	14,110	-	14,110	5,821
Examination fees	18,898	-	18,898	27,483
Staff development	23,376	-	23,376	11,133
Outreach, student travel and other costs	99,568	5,172	104,740	116,476
Supply teachers	50	-	50	5,732
Technology costs	378	-	378	248
Wages and salaries	340,273	63,437	403,710	369,104
National insurance	35,412	4,362	39,774	29,705
Pension cost	89,756	10,103	99,859	89,433
Depreciation	56,638	-	56,638	83,324
	<u>681,459</u>	<u>83,074</u>	<u>764,533</u>	<u>739,459</u>
Total 2017	<u>723,228</u>	<u>69,114</u>	<u>792,342</u>	

Direct costs are allocated to education and boarding activities on a usage basis.

7. SUPPORT COSTS

	Education £	Boarding £	Total 2018 £	Total 2017 £
Recruitment and support	5,919	-	5,919	1,621
Maintenance of premises and equipment	24,666	300	24,966	20,248
Cleaning	3,373	-	3,373	1,170
Rent and rates	4,154	177,788	181,942	207,682
Energy costs	12,026	-	12,026	11,506
Insurance	2,380	-	2,380	2,500
Security and transport	6,401	-	6,401	6,069
Catering	2,064	18,116	20,180	21,855
Technology costs	13,046	-	13,046	11,182
Office overheads	9,812	-	9,812	12,948
Legal and professional	24,389	1,419	25,808	28,491
Bank interest and charges	(1,749)	-	(1,749)	757
Governance	19,790	-	19,790	12,300
Wages and salaries	83,545	-	83,545	84,483
National insurance	6,672	-	6,672	5,077
Pension cost	8,806	-	8,806	11,341
Depreciation	13,113	-	13,113	19,893
	<u>238,407</u>	<u>197,623</u>	<u>436,030</u>	<u>459,123</u>
Total 2017	<u>240,010</u>	<u>226,230</u>	<u>466,240</u>	

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

7. SUPPORT COSTS (continued)

Support costs are allocated to education and boarding activities on a usage basis.

8. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy	69,753	103,216
Auditors' remuneration - audit	5,075	4,950
Auditors' remuneration - other services	2,500	6,736
Operating lease rentals	173,557	204,087
	<u><u> </u></u>	<u><u> </u></u>

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	511,277	481,734
National Insurance costs	50,386	46,488
Pension costs	111,157	103,608
	<u>672,820</u>	<u>631,830</u>
Agency staff costs	50	5,732
	<u>672,870</u>	<u>637,562</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	7	7
Administration and support	10	7
Management	3	3
	<u>20</u>	<u>17</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	7	7
Administration and support	6	4
Management	3	3
	<u>16</u>	<u>14</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

d. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £183,643 (2017: £183,331).

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

9. STAFF COSTS (continued)

As staff Trustees are not remunerated in respect of their role as Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration is set out in note 10 and has not been included in the total benefits received by key management personnel above.

10. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: K Burnham: Remuneration £70,000 - £75,000 (2017: £65,000 - £70,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000), L Cattle: Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in note 24.

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

During the year ended 31 August 2018, expenses totalling £267 (2017: £218) were reimbursed to 2 Trustees (2017: 2).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and Fittings £	Computer equipment £	Assets under construction £	Total £
COST					
At 1 September 2017	2,073,330	49,136	156,985	-	2,279,451
Additions	-	1,904	5,469	4,090	11,463
At 31 August 2018	<u>2,073,330</u>	<u>51,040</u>	<u>162,454</u>	<u>4,090</u>	<u>2,290,914</u>
DEPRECIATION					
At 1 September 2017	124,030	24,396	134,258	-	282,684
Charge for the year	41,378	10,209	18,166	-	69,753
At 31 August 2018	<u>165,408</u>	<u>34,605</u>	<u>152,424</u>	<u>-</u>	<u>352,437</u>
NET BOOK VALUE					
At 31 August 2018	<u>1,907,922</u>	<u>16,435</u>	<u>10,030</u>	<u>4,090</u>	<u>1,938,477</u>
At 31 August 2017	<u>1,949,300</u>	<u>24,740</u>	<u>22,727</u>	<u>-</u>	<u>1,996,767</u>

13. DEBTORS

	2018 £	2017 £
Trade debtors	10,414	17,974
Capital grants outstanding	10,740	26,262
Prepayments and accrued income	69,621	33,174
VAT recoverable	24,564	32,073
	<u>115,339</u>	<u>109,483</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	86,147	147,008
Other taxation and social security	10,951	11,741
Amounts repayable to the ESFA	-	-
Other creditors	13,175	19,333
Accruals and deferred income	50,754	64,128
	<u>161,027</u>	<u>242,210</u>

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	49,467	56,842
Resources deferred during the year	27,039	49,467
Amounts released from previous years	(49,467)	(56,842)
	<u>27,039</u>	<u>49,467</u>
Deferred income at 31 August 2018	<u>27,039</u>	<u>49,467</u>

At the balance sheet date Exeter Mathematics School was holding funds received in advance for boarding, travel, trips and donations relating to the 2018/19 year.

15. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	44,658	44,236
	<u>44,658</u>	<u>44,236</u>
Financial liabilities measured at amortised cost	117,569	169,178
	<u>117,569</u>	<u>169,178</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

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

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	7,238	52,926	(47,606)	-	-	12,558
RESTRICTED FUNDS						
General Annual Grant (GAG)	341,028	760,832	(702,119)	(5,992)	-	393,749
TSST	-	54,096	(54,096)	-	-	-
Other DfE/ESFA grants	-	37,623	(37,623)	-	-	-
Trips and educational activities	-	5,970	(5,970)	-	-	-
Educational grants	-	20,353	(20,353)	-	-	-
Provision of boarding	14,124	240,637	(280,717)	-	-	(25,956)
Pension reserve	(112,000)	-	(37,000)	-	44,000	(105,000)
	<u>243,152</u>	<u>1,119,511</u>	<u>(1,137,878)</u>	<u>(5,992)</u>	<u>44,000</u>	<u>262,793</u>
RESTRICTED FIXED ASSET FUNDS						
Refurbishment Grant	1,621,744	-	(53,141)	-	-	1,568,603
Fixed assets transferred in	366,600	-	(7,800)	-	-	358,800
Fixed assets purchased from GAG	19,163	-	(8,810)	5,992	-	16,345
DfE/ESFA Capital grants	11,423	6,981	-	-	-	18,404
	<u>2,018,930</u>	<u>6,981</u>	<u>(69,751)</u>	<u>5,992</u>	<u>-</u>	<u>1,962,152</u>
Total restricted funds	<u>2,262,082</u>	<u>1,126,492</u>	<u>(1,207,629)</u>	<u>-</u>	<u>44,000</u>	<u>2,224,945</u>
Total of funds	<u><u>2,269,320</u></u>	<u><u>1,179,418</u></u>	<u><u>(1,255,235)</u></u>	<u><u>-</u></u>	<u><u>44,000</u></u>	<u><u>2,237,503</u></u>

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

Restricted Funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

TSST - This represents the Teacher Subject Specialism Training grant which is to improve the subject knowledge of non-specialist teachers and those looking to return to the teaching profession, and increase the number of hours taught in secondary mathematics, core maths and physics.

Other DfE/ESFA grants - DfE and ESFA funded grants for specific educational purposes. This also includes the rates fundings.

Trips and educational activities - This represents donations towards educational trips.

Educational grants - Grants provided by non-government institutions for specific educational purposes.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

16. STATEMENT OF FUNDS (continued)

Provision of boarding - This represents bursary funding and amounts paid by parents to enable a child to board at the Academy. The fund is in deficit at the year end due to an unexpected clawback of funding. The Academy will work hard to generate funds to reduce this deficit.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Restricted Fixed Asset Funds

Refurbishment grant - This represents funding from the ESFA to cover the refurbishment of the main building.

Fixed Assets Transferred In - This represents the building donated to the Academy from the Local Authority.

DfE/ESFA Capital grants - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

Other information

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	7,880	49,747	(50,389)	-	-	7,238
RESTRICTED FUNDS						
General Annual Grant (GAG)	190,955	834,447	(690,179)	5,805	-	341,028
Post opening grant	-	12,000	(12,000)	-	-	-
Outreach grant	11,446	60,000	(71,446)	-	-	-
Trips and educational activities	-	6,243	(6,243)	-	-	-
Provision of boarding	12,532	296,936	(295,344)	-	-	14,124
Pension reserve	(90,000)	-	(31,000)	-	9,000	(112,000)
	<u>124,933</u>	<u>1,209,626</u>	<u>(1,106,212)</u>	<u>5,805</u>	<u>9,000</u>	<u>243,152</u>

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

16. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Refurbishment Grant	1,702,736	-	(80,992)	-	-	1,621,744
Fixed assets transferred in	374,400	-	(7,800)	-	-	366,600
Fixed assets purchased from GAG	39,393	-	(14,425)	(5,805)	-	19,163
DfE/ESFA Capital grants	4,943	6,480	-	-	-	11,423
	<u>2,121,472</u>	<u>6,480</u>	<u>(103,217)</u>	<u>(5,805)</u>	<u>-</u>	<u>2,018,930</u>
Total restricted funds	<u>2,246,405</u>	<u>1,216,106</u>	<u>(1,209,429)</u>	<u>-</u>	<u>9,000</u>	<u>2,262,082</u>
Total of funds	<u>2,254,285</u>	<u>1,265,853</u>	<u>(1,259,818)</u>	<u>-</u>	<u>9,000</u>	<u>2,269,320</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,938,477	1,938,477
Current assets	11,610	529,769	23,675	565,054
Creditors due within one year	948	(161,976)	-	(161,028)
Pension scheme liability	-	(105,000)	-	(105,000)
	<u>12,558</u>	<u>262,793</u>	<u>1,962,152</u>	<u>2,237,503</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,996,767	1,996,767
Current assets	7,238	597,361	22,163	626,763
Creditors due within one year	-	(242,210)	-	(242,210)
Pension scheme liability	-	(112,000)	-	(112,000)
	<u>7,238</u>	<u>243,151</u>	<u>2,018,930</u>	<u>2,269,320</u>

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(75,817)	6,035
Adjustment for:		
Depreciation charges	69,753	103,216
Increase in debtors	(1,766)	(1,358)
(Decrease)/increase in creditors	(85,273)	24,452
Capital grants from DfE and other capital income	(6,981)	(6,480)
Defined benefit pension scheme finance cost	37,000	31,000
Net cash (used in)/provided by operating activities	(63,084)	156,865

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	449,714	517,280
	449,714	517,280

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £9,760 were payable to the schemes at 31 August 2018 (2017: 9,353) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014

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

20. PENSION COMMITMENTS (continued)

published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £58,023 (2017: £56,132).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £25,062 (2017: £23,133), of which employer's contributions totalled £19,134 (2017: £17,475) and employees' contributions totalled £5,928 (2017: £5,658). The agreed contribution rates for future years are 15.4% for employers and 5.5 - 8.5% for employees.

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

Principal actuarial assumptions:

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

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

20. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28.0	27.9

Sensitivity analysis	At 31 August 2018	At 31 August 2017
	£	£
Discount rate +0.1%	(7,000)	(7,000)
Discount rate -0.1%	8,000	7,000
Mortality assumption - 1 year increase	6,000	6,000
Mortality assumption - 1 year decrease	(6,000)	(5,000)

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	58,000	38,000
Gilts and bonds	4,000	2,000
Property	9,000	6,000
Cash	-	-
Cash and other liquid assets	1,000	2,000
Target return portfolio	14,000	10,000
Infrastructure and alternative assets	8,000	7,000
Private equity	1,000	-
Total market value of assets	95,000	65,000

The actual return on scheme assets was £5,000 (2017: £9,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018	2017
	£	£
Current service cost	(53,000)	(47,000)
Interest income	2,000	2,000
Interest cost	(5,000)	(3,000)
Total	(56,000)	(48,000)

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

20. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening defined benefit obligation	177,000	151,000
Current service cost	53,000	47,000
Interest cost	5,000	3,000
Employee contributions	6,000	6,000
Actuarial gains	(41,000)	(30,000)
	<hr/>	<hr/>
Closing defined benefit obligation	200,000	177,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£	£
Opening fair value of scheme assets	65,000	61,000
Interest income	2,000	2,000
Actuarial losses/(gains)	3,000	(21,000)
Employer contributions	19,000	17,000
Employee contributions	6,000	6,000
	<hr/>	<hr/>
Closing fair value of scheme assets	95,000	65,000
	<hr/> <hr/>	<hr/> <hr/>

21. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
AMOUNTS PAYABLE:				
Within 1 year	245,236	173,557	576	-
Between 1 and 5 years	437,693	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	682,929	173,557	576	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

22. 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.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

23. GENERAL INFORMATION

Exeter Mathematics School is a company limited by guarantee, incorporated in England and Wales. The registered office is Rougemont House, Castle Street, Exeter, EX4 3PU.

24. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

Exeter College and The University of Exeter are both sponsors and members of Exeter Mathematics School.

During the year, The University of Exeter charged Exeter Mathematics School £25,197 (2017: £7,598) for marketing services provided by its Communications and Marketing Services department, the cost of providing staff, the hire of sports facilities and student mentor time. For student mentors the University of Exeter charges no add on and all other services are recharged to Exeter Mathematics School at the University's internal rate.

The element above £2,500 has been provided 'at no more than cost' and The University of Exeter has provided a statement of assurance confirming this.

As at the 31 August 2018 £77 (2017: £Nil) was owed to the University of Exeter and is included in trade creditors.

During the year costs incurred by Exeter College and reimbursed by Exeter Mathematics School were £3,851 (2017: £3,181) for office overheads. Furthermore Exeter College charged Exeter Mathematics School £51,887 (2017: £56,392) for teaching, recruitment services, student services, ICT services, and HR services.

The element above £2,500 has been provided 'at no more than cost' and Exeter College has provided a statement of assurance confirming this.

As at the 31 August 2018 £54,463 (2017: £47,654) was owed to the Exeter College and is included in trade creditors.

No other related party transactions took place during the period other than those described in note 10.

**EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

25. ACADEMY BOARDING TRADING ACCOUNT

	2018	2017
	£	£
INCOME		
Boarding income	240,637	296,936
DIRECT COSTS		
Other costs	5,172	13,671
Wages and salaries	63,437	45,747
National insurance	4,362	3,881
Pension costs	10,103	5,815
	<u>83,074</u>	<u>69,114</u>
SUPPORT COSTS		
Maintenance of premises and equipment	300	723
Rent and rates	177,788	204,087
Catering	18,116	20,130
Legal and professional	1,419	1,290
	<u>197,623</u>	<u>226,230</u>
SURPLUS / (DEFICIT) FOR THE PERIOD	<u>(40,060)</u>	<u>1,592</u>

26. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Academy received £12,105 and disbursed £12,105 from the fund.

EXETER MATHEMATICS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

27. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
TSST grant	54,096		60,000	
TOTAL INCOME		54,096		60,000
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	25,666		28,490	
OTHER EXPENDITURE				
Other staff costs	4,788		7,117	
Catering	2,976		2,756	
Resources	2,431		2,714	
Legal and professional	17,039		17,759	
Residential	1,196		1,164	
TOTAL OTHER EXPENDITURE	28,430		31,510	
TOTAL EXPENDITURE		54,096		60,000
SURPLUS FROM ALL SOURCES		-		-