

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	University of Exeter Exeter College Janice Kay John Laramy
<b>Trustees</b>	N Baglin (resigned 31 December 2015) T Bailey K Burnham, Headteacher <sup>1</sup> L Cantle J French, Chair <sup>1</sup> P Jenkinson S Kiff (resigned 1 July 2016) <sup>1</sup> J Laramy A Oxborough A Parsons <sup>1</sup> L Peka (appointed 1 September 2015) <sup>1</sup> S Vaughan (appointed 1 October 2015) P Vukusic (appointed 29 September 2016) N Williamson (appointed 29 September 2016) T Paulden (appointed 1 October 2015)  <sup>1</sup> Finance and Resources Committee
<b>Company registered number</b>	08515877
<b>Company name</b>	Exeter Mathematics School
<b>Principal and registered office</b>	Rougemont House Castle Street Exeter EX4 3PU
<b>Company secretary</b>	P Woodbridge
<b>Accounting Officer</b>	K Burnham
<b>Senior management team</b>	Kerry Burham, Head Teacher Joe Rowing, Deputy Head Pauline Woodbridge, Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Bankers</b>	Lloyds Bank 234 High Street Exeter Devon EX4 3NL

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

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 94 in the school ILR return on 1 October 2015.

**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 Trust 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. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

All Trustees are provided copies with or have access to all policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 Academy and an opportunity to meet staff and pupils. 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.

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 of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

**Organisational Structure**

The Board of Trustees normally meets once each term. 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 at least five 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 Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum and Student Experience Strategy Group - this meets five 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 which meets as necessary to deal with all matters relating to admissions appeals.
- Governance Group - to advise the Board on all matters relating to governance including the skills required of and the training to be undertaken by Trustees together with any other matters which the Board remits to it.
- Strategy Committee - 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 Headteacher is the Accounting Officer.

**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.

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.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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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 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 Trust 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 and achieve high Value Added Scores in our first set of A-levels
- Recruit 60 students to join the school in September 2016
- Recruit excellent teachers of Mathematics to join the school in September 2016
- Develop the school's outreach programme to meet the needs of able students from Cornwall, Devon, Dorset and Somerset
- Secure accommodation to meet the needs of our residential students

**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 as evidenced by our Value Added score of 0.46 for all academic qualifications. Furthermore, Exeter Mathematics School is committed to benefiting students and schools within the region it serves, through the ongoing support and developing of teaching and by offering a comprehensive outreach programme to students.

**STRATEGIC REPORT**

**Achievements and Performance**

The School has successfully met its key priorities. All measures of the educational experience of students, indicates outstanding provision: high student and parent satisfaction, exceptional value added scores for qualifications, high attendance and retention of students and high levels of engagement from the University of Exeter and other external providers.

The school is oversubscribed for 2016 and has continued to attract applicants from all four counties. All teaching vacancies have been filled with high calibre teachers.

We have expanded our outreach programme, engaging with in excess of 100 schools through the South West. Our Mathematics Student Community is oversubscribed and we continue to host STEM events for the Further Mathematics Support Programme, the Royal Institution and the Institute of Physics. Our support for teachers has been substantial, in addition to bespoke workshops we have supported non-specialist teachers of Mathematics and Physics through the TSST (teacher subject specialism training) programme.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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We have secured new accommodation that enables us to meet the increase in demand for residential places. One third of our students board in Exeter during the week from Monday to Friday

**Key Performance Indicators**

The proportion of female students has remained at approximately one third, having risen from 20% in our set up year. Whilst we are pleased to sustain the level of interest achieved last year, this remains an area for development. Nationally, the proportion of female students taking Physics is approximately 20%.

<b>Indicator</b>	<b>Target</b>	<b>Actual</b>
Student Attendance	96%	97%
Exam Success	100%	100%
Retention	97%	100%
Value Added ALIS Score	90th percentile	93rd percentile
Recruitment Numbers for 2015	60	64
Proportion of Female Students	40%	30%

**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. Further details regarding the adoption of the going concern basis can be found in note 1.5.

**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 2016, total expenditure (excluding restricted fixed asset funds and the pension fund) of £988,838 was covered by grant funding from the EFA, together with other incoming resources of £1,090,135. The excess of income over expenditure for the year was £101,297.

The Board of Trustees has continued to manage carefully its boarding provision as an important element of opening access to the School across the broader region. The cumulative surplus at 31<sup>st</sup> August 2016 of £12,532 will be utilised to support the boarding provision in 2016/17.

At 31 August 2016 the net book value of fixed assets was £2,127,940 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

**Reserves Policy**

The policy of the Trustees 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 Trustees annually and can fluctuate depending on operational needs but the Trustees have determined that the Academy should aim to have a minimum of £100,000 held in reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

During the first two years of operation the Trustees have managed the leadership diseconomies grant to ensure a surplus is in place to support the needs of the school once it is at full capacity. The School's budget from 2016/17 onwards is projected to have little or no surplus and a significant working capital has been built to ensure that the school is able to continue to invest in the learning experience, technology and to ensure its facilities and building meet the education requirements of the School.

**EXETER MATHEMATICS SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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There is a deficit on The Local Government Pension Scheme, for which there is no repayment plan. Payments are made in line with agreed contribution rates.

**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

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 – EFA funding for residential student bursaries has been supplied for two years. We are dependent on this to ensure equality of access for all students throughout Cornwall, Devon, Dorset and Somerset.

Governance and Management – 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 be crucial to the ongoing success of the school.

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

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its students at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with schools across the south west to promote the study of mathematics and related subjects.

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

**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  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**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, approved by order of the board of trustees, as company directors, on 8 December 2016 and signed on the board's behalf by:

**J French  
Chair of Trustees**

## **GOVERNANCE STATEMENT**

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### **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 with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Baglin	2	2
T Bailey	4	5
K Burnham, Headteacher	5	5
L Cantle	4	5
J French, Chair	5	5
P Jenkinson	5	5
S Kiff	3	5
J Laramy	5	5
A Oxborough	4	5
A Parsons	4	5
L Peka	4	5
S Vaughan	3	5
P Vukusic	0	0
N Williamson	0	0
T Paulden	5	5

#### **Governance reviews:**

In summer 2015, at a meeting held to review governance and strategic issues, it was the consensus that whilst the existing committee structure was meeting the school's needs, there were areas where the overview of governance could be further developed.

It was noted that there had been informal meetings during the year to review governance and strategic issues, there would be merit in formally reviewing these through the establishment of a Governance Group and also a Strategy Committee. The former would keep under review the composition of the Board, its skills and needs, attendance profiles and development opportunities; the latter would advise the Board on strategic priorities, aims and objectives. The Board also determined to seek greater private sector involvement at Board level. It is too early to evaluate the impact of these decisions.

Furthermore, there would be biannual meetings of all Trustees to review governance and to review the strategic development and direction of the school. The next reviews will take place in January 2017 and July 2017.

The Finance and Resources Committee is chaired by a qualified accountant and includes a Parent Trustee who is also a qualified accountant. When the Parent Trustee stands down, a further qualified accountant will be sought to join the committee.

The purpose of the Board's Finance and Resources Committee is to scrutinise the School's finance function.

Attendance at meetings in the year was as follows:

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**GOVERNANCE STATEMENT (continued)**

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Trustee	Meetings attended	Out of a possible
L Peka, Chair	5	5
J French	3	5
K Burnham, Headteacher	5	5
S Kiff	3	5
J Laramy	3	5
A Parsons	4	5

**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 Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy 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 Head teacher, Board of Trustees, and Internal and External Auditors.
- We have structured purchasing policies and guidelines. In addition a scheme of delegation clearly states individual levels of authority and accountability.
- A Risk Register records all the risks faced by the school, financial and otherwise. This register is reviewed annually by the Board of 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.
- 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 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 year 1 September 2015 to 31 August 2016 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 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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's system of internal financial control is based on a framework of regular management information

**GOVERNANCE STATEMENT (continued)**

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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 A Parsons (Trustee) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In particular the checks carried out in the current period included:

- Payroll
- Purchases
- Income
- Fixed assets
- Accounting system

**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 financial management and governance self-assessment process;
- 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 8 December 2016 and signed on their behalf, by:

**J French**  
**Chair of Trustees**

**K Burnham**  
**Accounting Officer**

**EXETER MATHEMATICS SCHOOL  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Exeter Mathematics School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

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 EFA.

**K Burnham  
Accounting Officer**

Date: 8 December 2016

**EXETER MATHEMATICS SCHOOL  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as governors of Exeter Mathematics School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

**J French  
Chair of Trustees**

**Date: 8 December 2016**

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

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

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We have audited the financial statements of Exeter Mathematics School for the year ended 31 August 2016 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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.

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 2016



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

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

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In accordance with the terms of our engagement letter dated 16 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Exeter Mathematics School and EFA 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 EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 FUNDING AGENCY (continued)**

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**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 2015 to 31 August 2016 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 2016

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	-	-	-	-	(12,000)
Other donations and capital grants	2	-	14,999	4,943	19,942	34,375
Charitable activities	4	37,526	1,037,259	-	1,074,785	654,124
Other trading activities	3	351	-	-	351	1,380
<b>TOTAL INCOME</b>		<b>37,877</b>	<b>1,052,258</b>	<b>4,943</b>	<b>1,095,078</b>	<b>677,879</b>
<b>EXPENDITURE ON:</b>						
Raising funds		9	-	-	9	2,406
Charitable activities		31,332	966,497	95,568	1,093,397	673,127
<b>TOTAL EXPENDITURE</b>	5	<b>31,341</b>	<b>966,497</b>	<b>95,568</b>	<b>1,093,406</b>	<b>675,533</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	6,536	85,761	(90,625)	1,672	2,346
		-	(14,757)	14,757	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		6,536	71,004	(75,868)	1,672	2,346
Actuarial losses on defined benefit pension schemes	21	-	(60,000)	-	(60,000)	(2,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>6,536</b>	<b>11,004</b>	<b>(75,868)</b>	<b>(58,328)</b>	<b>346</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,344	113,929	2,197,340	2,312,613	2,312,267
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>7,880</b>	<b>124,933</b>	<b>2,121,472</b>	<b>2,254,285</b>	<b>2,312,613</b>

The notes on pages 20 to 39 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		<b>2,072,893</b>		2,127,940
<b>CURRENT ASSETS</b>					
Debtors	13	<b>108,125</b>		198,120	
Cash at bank and in hand		<b>381,025</b>		187,204	
			<u><b>489,150</b></u>	<u>385,324</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	<b>(217,758)</b>		(179,651)	
			<u><b>271,392</b></u>		205,673
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	21		<b>(90,000)</b>		(21,000)
			<u><b>2,344,285</b></u>		2,333,613
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>					
			<u><b>2,254,285</b></u>		2,312,613
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted income funds:					
General funds	16	<b>214,933</b>		134,929	
Fixed asset funds	16	<b>2,121,472</b>		2,197,340	
			<u><b>2,336,405</b></u>	<u>2,332,269</u>	
Restricted income funds excluding pension liability					
Pension reserve		<b>(90,000)</b>		(21,000)	
			<u><b>2,246,405</b></u>	<u>2,311,269</u>	
Total restricted income funds					
Unrestricted income funds	16		<b>7,880</b>		1,344
			<u><b>2,254,285</b></u>		2,312,613
<b>TOTAL FUNDS</b>					

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:

**J French  
Chair of Trustees**

The notes on pages 20 to 39 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>229,399</u>	<u>62,123</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(40,521)	(116,301)
Capital grants from DfE/EFA		<u>4,943</u>	<u>71,332</u>
<b>Net cash used in investing activities</b>		<u>(35,578)</u>	<u>(44,969)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>193,821</b>	<b>17,154</b>
Cash and cash equivalents brought forward		<u>187,204</u>	<u>170,050</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>381,025</u></u>	<u><u>187,204</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 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 and include grants from the Department for Education.

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

**1.3 INCOME**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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 is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line
Fixtures and fittings	-	10% - 20% straight line
Computer equipment	-	33% straight line

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 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.

**1.9 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.

**1.10 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.11 LIABILITIES AND PROVISIONS**

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

**1.12 FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 PENSIONS**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 AGENCY ARRANGEMENTS**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 24.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 judgement:

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.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Transfer from Local Authority on conversion	-	-	-	-	(12,000)
Subtotal	-	-	-	-	(12,000)
Capital Grants	-	-	<b>4,943</b>	<b>4,943</b>	-
Donations	-	<b>14,999</b>	-	<b>14,999</b>	6,875
Donations for boarding provision	-	-	-	-	27,500
Subtotal	-	<b>14,999</b>	<b>4,943</b>	<b>19,942</b>	34,375
	-	<b>14,999</b>	<b>4,943</b>	<b>19,942</b>	22,375

In 2015, of the total income from donations and capital grants, £22,375 was restricted.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	351	-	351	1,380
	<u>351</u>	<u>-</u>	<u>351</u>	<u>1,380</u>

In 2015, the total income from other trading activities of £1,380 was unrestricted.

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Education	37,526	813,199	850,725	593,631
Boarding	-	224,060	224,060	60,493
	<u>37,526</u>	<u>1,037,259</u>	<u>1,074,785</u>	<u>654,124</u>

In 2015, of the total income from charitable activities, £18,090 was unrestricted and £636,034 was restricted.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	634,886	634,886	236,164
Start up Grants	-	123,440	123,440	195,920
Other DfE/EFA grants	-	54,873	54,873	143,457
	<u>-</u>	<u>813,199</u>	<u>813,199</u>	<u>575,541</u>
<b>Other funding</b>				
Sales to students	33,935	-	33,935	13,146
Internal catering income	31	-	31	132
Other	3,560	-	3,560	4,812
	<u>37,526</u>	<u>-</u>	<u>37,526</u>	<u>18,090</u>
	<u>37,526</u>	<u>813,199</u>	<u>850,725</u>	<u>593,631</u>

In 2015, of the total income from charitable activities, £18,090 was unrestricted and £575,541 was restricted.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expenditure on fundraising trading	-	-	9	9	2,406
Education:					
Direct costs	<b>345,154</b>	<b>31,835</b>	<b>240,244</b>	<b>617,233</b>	366,526
Support costs	<b>115,093</b>	<b>49,635</b>	<b>72,408</b>	<b>237,136</b>	216,545
Boarding:					
Direct costs	<b>48,380</b>	-	<b>14,564</b>	<b>62,944</b>	30,868
Support costs	-	<b>158,016</b>	<b>18,068</b>	<b>176,084</b>	59,188
	<b>508,627</b>	<b>239,486</b>	<b>345,293</b>	<b>1,093,406</b>	675,533

In 2015, the total expenditure on raising funds of £2,406 was from unrestricted funds. Of the total expenditure on charitable activities, £31,322 (2015: £18,126) was from unrestricted funds and £1,062,065 (2015: £657,407) was from restricted funds.

**6. DIRECT COSTS**

	<b>Education</b>	<b>Boarding</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
Educational supplies	<b>11,409</b>	-	<b>11,409</b>	32,188
Examination fees	<b>19,805</b>	-	<b>19,805</b>	5,643
Staff development	<b>6,265</b>	-	<b>6,265</b>	3,402
Outreach, student travel and other costs	<b>159,009</b>	<b>14,564</b>	<b>173,573</b>	93,282
Technology costs	<b>1,972</b>	-	<b>1,972</b>	74
Wages and salaries	<b>267,580</b>	<b>41,000</b>	<b>308,580</b>	171,277
National insurance	<b>24,984</b>	<b>3,079</b>	<b>28,063</b>	10,673
Pension cost	<b>52,590</b>	<b>4,301</b>	<b>56,891</b>	22,640
Depreciation	<b>73,619</b>	-	<b>73,619</b>	58,215
	<b>617,233</b>	<b>62,944</b>	<b>680,177</b>	397,394

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**7. SUPPORT COSTS**

	Education £	Boarding £	Total 2016 £	Total 2015 £
Other costs	1,995	-	1,995	-
Supply teachers	3,148	-	3,148	-
Recruitment and support	3,534	-	3,534	6,653
Maintenance of premises and equipment	22,957	1,308	24,265	20,271
Cleaning	1,881	-	1,881	2,447
Rent and rates	2,422	156,708	159,130	45,794
Energy costs	10,884	-	10,884	10,464
Insurance	2,350	-	2,350	810
Security and transport	4,611	-	4,611	6,514
Catering	808	18,058	18,866	10,484
Technology costs	12,857	-	12,857	9,019
Office overheads	11,334	10	11,344	9,679
Legal and professional	10,730	-	10,730	8,094
Bank interest and charges	638	-	638	854
Governance	13,093	-	13,093	15,931
Wages and salaries	88,852	-	88,852	75,568
National insurance	6,657	-	6,657	7,329
Pension cost	16,436	-	16,436	20,137
Depreciation	21,949	-	21,949	25,685
	<u>237,136</u>	<u>176,084</u>	<u>413,220</u>	<u>275,733</u>

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:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	95,568	83,900
Auditors' remuneration - audit	4,900	5,200
Auditors' remuneration - other services	7,990	9,509
Operating lease rentals	156,708	31,444
	<u>265,166</u>	<u>130,053</u>

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**9. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	2015
	£	£
Wages and salaries	<b>397,432</b>	246,845
National Insurance costs	<b>34,720</b>	18,002
Operating costs of defined benefit pension schemes	<b>73,327</b>	42,777
	<u><b>505,479</b></u>	<u>307,624</u>
Supply teacher costs	<b>3,148</b>	-
	<u><b>508,627</b></u>	<u>307,624</u>

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

	<b>2016</b>	2015
	No.	No.
Teachers	<b>5</b>	2
Administration and support	<b>5</b>	4
Management	<b>3</b>	2
	<u><b>13</b></u>	<u>8</u>

Average headcount expressed as a full time equivalent:

	<b>2016</b>	2015
	No.	No.
Teachers	<b>5</b>	2
Administration and support	<b>4</b>	3
Management	<b>3</b>	2
	<u><b>12</b></u>	<u>7</u>

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

	<b>2016</b>	2015
	No.	No.
In the band £60,001 - £70,000	<b>1</b>	1

**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 £164,097 (2015: £78,154).

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**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 from the Academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: K Burnham: Remuneration £65,000 - £70,000 (2015: £60,000 - £65,000), Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000), L Cattle: Remuneration £35,000 - £40,000 (2015: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2015: £0 - £5,000).

During the year retirement benefits were accruing to 2 Trustees (2015: 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2016, expenses totalling £16 (2015: £168) were reimbursed to 1 Trustee (2015: 1).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

**12. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2015	2,070,738	29,042	112,060	2,211,840
Additions	-	14,756	25,765	40,521
At 31 August 2016	<u>2,070,738</u>	<u>43,798</u>	<u>137,825</u>	<u>2,252,361</u>
<b>DEPRECIATION</b>				
At 1 September 2015	41,326	5,809	36,765	83,900
Charge for the year	41,326	8,760	45,482	95,568
At 31 August 2016	<u>82,652</u>	<u>14,569</u>	<u>82,247</u>	<u>179,468</u>
<b>NET BOOK VALUE</b>				
At 31 August 2016	<u>1,988,086</u>	<u>29,229</u>	<u>55,578</u>	<u>2,072,893</u>
At 31 August 2015	<u>2,029,412</u>	<u>23,233</u>	<u>75,295</u>	<u>2,127,940</u>

**EXETER MATHEMATICS SCHOOL  
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**13. DEBTORS**

	<b>2016</b>	2015
	£	£
Trade debtors	<b>2,816</b>	2,473
Capital grants outstanding	<b>70,668</b>	99,798
EFA grants outstanding	-	43,000
Prepayments and accrued income	-	8,089
VAT recoverable	<b>34,641</b>	44,760
	<u><b>108,125</b></u>	<u>198,120</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	2015
	£	£
Trade creditors	<b>120,545</b>	45,490
Other taxation and social security	<b>9,577</b>	5,864
EFA creditor: abatement of GAG	-	8,267
Other creditors	<b>10,767</b>	32,518
Accruals and deferred income	<b>76,869</b>	87,512
	<u><b>217,758</b></u>	<u>179,651</u>

	<b>2016</b>	2015
	£	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2015	<b>68,191</b>	24,100
Resources deferred during the year	<b>56,842</b>	68,191
Amounts released from previous years	<b>(68,191)</b>	(24,100)
	<u><b>56,842</b></u>	<u>68,191</u>

At the balance sheet date Exeter Mathematics School was holding funds received in advance for boarding, travel, trips and donations relating to the 2016/17 year.



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**15. FINANCIAL INSTRUMENTS**

	<b>2016</b>	2015
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	<b>2,816</b>	2,473
Other debtors	<b>70,668</b>	142,798
Cash at bank and in hand	<b>381,025</b>	187,204
	<u><b>454,509</b></u>	<u>332,475</u>

	<b>2016</b>	2015
	£	£
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	<b>(120,545)</b>	(45,490)
Other creditors	<b>(10,767)</b>	(40,785)
Accruals	<b>(20,026)</b>	(19,321)
	<u><b>(151,338)</b></u>	<u>(105,596)</u>

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**16. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General Funds	1,344	37,877	(31,341)	-	-	7,880
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	107,429	634,886	(536,603)	(14,757)	-	190,955
Leadership diseconomies grant	-	123,440	(123,440)	-	-	-
Outreach grant	-	54,873	(43,427)	-	-	11,446
Trips and educational activities	-	14,999	(14,999)	-	-	-
Provision of boarding	27,500	224,060	(239,028)	-	-	12,532
Pension reserve	(21,000)	-	(9,000)	-	(60,000)	(90,000)
	<u>113,929</u>	<u>1,052,258</u>	<u>(966,497)</u>	<u>(14,757)</u>	<u>(60,000)</u>	<u>124,933</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Refurbishment Grant	1,776,984	-	(74,248)	-	-	1,702,736
Fixed assets transferred in	382,200	-	(7,800)	-	-	374,400
Fixed assets purchased from GAG	38,156	-	(13,520)	14,757	-	39,393
DfE/EFA Capital grants	-	4,943	-	-	-	4,943
	<u>2,197,340</u>	<u>4,943</u>	<u>(95,568)</u>	<u>14,757</u>	<u>-</u>	<u>2,121,472</u>
Total restricted funds	<u>2,311,269</u>	<u>1,057,201</u>	<u>(1,062,065)</u>	<u>-</u>	<u>(60,000)</u>	<u>2,246,405</u>
Total of funds	<u><u>2,312,613</u></u>	<u><u>1,095,078</u></u>	<u><u>(1,093,406)</u></u>	<u><u>-</u></u>	<u><u>(60,000)</u></u>	<u><u>2,254,285</u></u>

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

**Restricted Funds**

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

Leadership Diseconomies Grant - This represents post-opening funding received from the EFA during the first two years to reflect the additional cost in establishing a new publicly-funded school that has not yet reached capacity.

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**16. STATEMENT OF FUNDS (continued)**

Outreach Grant - This represents funding from the EFA to provide enrichment activities for students and teachers in the region, and for raising awareness of Exeter Mathematics School and its programme of outreach.

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

Provision of boarding - This represents bursary funding and amounts paid by parents to enable a child to board at the Academy.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

**Restricted Fixed Asset Funds**

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

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

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

**Further 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 2016.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Tangible fixed assets	-	-	-	-	2,127,940
Current assets	7,880	432,691	2,072,893	2,072,893	-
Creditors due within one year	-	(217,758)	48,579	489,150	385,324
Provisions for liabilities and charges	-	(90,000)	-	(217,758)	(179,651)
	<u>7,880</u>	<u>124,933</u>	<u>2,121,472</u>	<u>2,254,285</u>	<u>2,312,613</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	1,672	2,346
<b>Adjustment for:</b>		
Depreciation charges	95,568	83,900
Decrease in debtors	93,287	320,216
Increase/(decrease) in creditors	34,815	(292,007)
Capital grants from DfE and other capital income	(4,943)	(71,332)
Defined benefit pension scheme finance cost	9,000	7,000
Net gain on assets and liabilities from local authority on conversion	-	12,000
	<u>229,399</u>	<u>62,123</u>
<b>Net cash provided by operating activities</b>	<u>229,399</u>	<u>62,123</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	381,025	187,204
Total	<u>381,025</u>	<u>187,204</u>

**20. 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.

**21. 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 2013.

Contributions amounting to £7,738 were payable to the schemes at 31 August 2016 (2015: £4,742) 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.

**21. PENSION COMMITMENTS (continued)**

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**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £43,590 (2015: £18,189).

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](http://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 2016 was £28,000 (2015: £24,000), of which employer's contributions totalled £21,000 (2015: £18,000) and employees' contributions totalled £7,000 (2015: £6,000). The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% 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.

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**21. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

	<b>2016</b>	2015
Discount rate for scheme liabilities	<b>2.20 %</b>	4.00 %
Rate of increase in salaries	<b>4.10 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.70 %

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

	<b>2016</b>	2015
Retiring today		
Males	<b>22.9</b>	22.8
Females	<b>26.2</b>	26.1
Retiring in 20 years		
Males	<b>25.2</b>	25.1
Females	<b>28.6</b>	28.4

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

	<b>Fair value at 31 August 2016 £</b>	Fair value at 31 August 2015 £
Equities	<b>36,000</b>	17,000
Gilts and bonds	<b>4,000</b>	2,000
Property	<b>6,000</b>	3,000
Cash	<b>1,000</b>	1,000
Target return portfolio	<b>9,000</b>	5,000
Infrastructure and alternative assets	<b>5,000</b>	2,000
Total market value of assets	<b>61,000</b>	30,000

The actual return on scheme assets was £6,000 (2015: £nil).

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

	<b>2016 £</b>	2015 £
Current service cost (net of employee contributions)	<b>(30,000)</b>	(25,000)

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**21. PENSION COMMITMENTS (continued)**

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

	<b>2016</b>	2015
	£	£
Opening defined benefit obligation	<b>51,000</b>	18,000
Current service cost	<b>30,000</b>	25,000
Interest cost	<b>2,000</b>	1,000
Contributions by employees	<b>7,000</b>	6,000
Actuarial losses	<b>64,000</b>	1,000
Benefits paid	<b>(3,000)</b>	-
	<hr/> <b>151,000</b> <hr/>	<hr/> 51,000 <hr/>
Closing defined benefit obligation		

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

	<b>2016</b>	2015
	£	£
Opening fair value of scheme assets	<b>30,000</b>	6,000
Interest income	<b>2,000</b>	1,000
Actuarial gains and (losses)	<b>4,000</b>	(1,000)
Contributions by employer	<b>21,000</b>	18,000
Contributions by employees	<b>7,000</b>	6,000
Benefits paid	<b>(3,000)</b>	-
	<hr/> <b>61,000</b> <hr/>	<hr/> 30,000 <hr/>
Closing fair value of scheme assets		

**22. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
<b>AMOUNTS PAYABLE:</b>				
Within 1 year	<b>203,510</b>	151,650	-	-
	<hr/> <b>203,510</b> <hr/>	<hr/> 151,650 <hr/>	<hr/> - <hr/>	<hr/> - <hr/>

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FOR THE YEAR ENDED 31 AUGUST 2016**

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**23. RELATED PARTY TRANSACTIONS**

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 £7,946 (2015: £14,841) for marketing services provided by its Communications and Marketing Services department, £14,573 (2015: £12,787) for the cost of providing staff, £Nil (2015: £31,444) for rent of the boarding residential premises and Brunel Close and £1,530 (2015: £2,191) for 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 University of Exeter also made a restricted donation of £27,500 towards future boarding accommodation in the prior year. There was no donation this year.

As at the 31 August 2016 £6,110 (2015: £4,224) 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 £8,866 (2015: £10,745) for office overheads. Furthermore Exeter College charged Exeter Mathematics School £61,320 (2015: £18,983) for teaching, recruitment services, student services, ICT services, Estates Services and HR services. These were charged at cost.

As at the 31 August 2016 £3,089 (2015: £22,880) 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 11.



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**ACADEMY BOARDING TRADING ACCOUNT**

		2016 £	2015 £
<b>INCOME</b>			
Boarding income	224,060	60,493	
Boarding Donation	-	27,500	
	<u>224,060</u>	<u>87,993</u>	87,993
<b>DIRECT COSTS</b>			
Other costs	14,564	3,548	
Wages and salaries	41,000	22,000	
National insurance	3,079	1,353	
Pension costs	4,301	3,967	
	<u>62,944</u>	<u>30,868</u>	30,868
<b>SUPPORT COSTS</b>			
Maintenance of premises and equipment	1,308	3,931	
Rent and rates	156,708	43,239	
Catering	18,058	7,115	
Office overheads	10	-	
Legal and professional	-	4,903	
Expended from Leadership Development Grant	-	(29,563)	
	<u>176,084</u>	<u>29,625</u>	29,625
<b>SURPLUS / (DEFICIT) CARRY FORWARD</b>		<u><u>(14,968)</u></u>	<u><u>27,500</u></u>

**24. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £3,784 and disbursed £3,784 from the fund. There is no amounts repayable to the EFA relating to undistributed funds at 31 August 2016.

**25. 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.

**26. MEMBERS' LIABILITY**

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

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**27. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		2,312,267	2,312,613
Total funds reported under FRS 102		<u>2,312,267</u>	<u>2,312,613</u>

<b>Reconciliation of net income/ (expenditure)</b>	<b>Notes</b>	31 August 2015 £
Net income previously reported under UK GAAP		2,346
Net movement in funds reported under FRS 102		<u>2,346</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The net effect of the change is £nil, therefore there is no difference in value between the net income previously reported under UKGAAP and the net movement in the funds reported under FRS102.