

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2014**

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

**CONTENTS**

---

	Page
<b>Reference and administrative details of the academy, its trustees and advisers</b>	1
<b>Trustees' report</b>	2 - 5
<b>Governance statement</b>	6 - 7
<b>Statement on regularity, propriety and compliance</b>	8
<b>Trustees' responsibilities statement</b>	9
<b>Independent auditors' report</b>	10 - 11
<b>Independent reporting accountant's assurance report on regularity</b>	12 - 13
<b>Statement of financial activities</b>	14
<b>Balance sheet</b>	15
<b>Cash flow statement</b>	16
<b>Notes to the financial statements</b>	17 - 24

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

<b>Members</b>	University of Exeter (appointed 3 May 2013) Exeter College (appointed 3 May 2013) Janice Kay (appointed 3 May 2013) John Laramy (appointed 3 May 2014)
<b>Trustees</b>	N Baglin (appointed 28 August 2014) T Bailey (appointed 28 August 2014) K Burnham, Headteacher (appointed 28 August 2014) <sup>1</sup> L Cattle (appointed 28 August 2014) J French, Vice Chair (appointed 28 August 2014) <sup>1</sup> P Jenkinson, Chair (appointed 28 August 2014) J Kay (appointed 3 May 2013) S Kiff (appointed 23 September 2014) <sup>1</sup> J Laramy (appointed 3 May 2013) A Oxborough (appointed 28 August 2014) A Parsons (appointed 23 September 2014) <sup>1</sup> M Shoebridge (appointed 28 August 2014) <sup>1</sup>

<sup>1</sup> Finance and Resources Committee

**Company registered  
number**

08515877

**Principal and registered  
office**

Rougemont House  
Castle Street  
Exeter  
EX4 3PU

**Accounting Officer**

K Burnham

**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  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Academy Trust was incorporated on 3 May 2013 and during the period, the Trust established an Academy in Exeter for pupils aged 16 to 19 in Cornwall, Devon, Dorset and Somerset. Exeter Mathematics School duly opened its doors to pupils on 1 September 2014. It has a pupil capacity of 120 and had a roll of 34 in the school census on 6 October 2014.

**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 period, 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 cease 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 £5,000,000.

**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.

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.

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.

**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

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

**TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

always include a tour of the Academy and an opportunity to meet staff and pupils.

There is a formal Trustees' development session organised each year which includes training to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. At their first meeting, the Trustees engaged in a training session devoted to safeguarding.

**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.

The following committees have been established;

- Finance and Resources Committee - this meets at least 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 and drafting the annual budget. It also incorporates the role of an audit committee and reviews the risk profile at each meeting.
- Curriculum and Student Experience Strategy Group - this meets once a term 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.
- Admissions Committee which meets as necessary to deal with all matters relating to admissions appeals.

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 Annual Development Plan and budget and all other matters required by law to be taken by it.

The Headteacher is the Accounting Officer.

**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.

**Objectives, Strategies and Activities**

Key priorities for the period were the acquisition and refurbishment of school premises, the appointment of a Headteacher and other staff, the identification and provision of residential accommodation for some students and the recruitment of the first cohort of 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.

## **STRATEGIC REPORT**

### **Achievements and Performance**

The period covered by this Report preceded the opening of the Exeter Mathematics School. School premises were acquired and refurbished, staff were appointed, residential provision for students living beyond a reasonable travelling distance from the school was secured and an appropriate number of students was recruited.

### **Key Performance Indicators**

At this early stage of the school's life, the Trustees have only just begun to consider a range of KPIs with the school's management. Once set, KPIs will be reviewed annually.

### **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 the Going concern accounting policy.

## **FINANCIAL REVIEW**

### **Financial Review**

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

During the period ended 31 August 2014, total expenditure (excluding restricted fixed asset funds) of £251,817 was covered by grant funding from the DfE, together with other incoming resources of £322,271. The excess of income over expenditure for the year was £70,454.

At 31 August 2014 the net book value of fixed assets was £2,082,691 and movements in tangible fixed assets are shown in note 9 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

### **Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

### **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**

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.

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.

Financial Risks and Uncertainties – a newly formed academy with uncertainties about the demand for and supply of residential accommodation. Successful recruitment of student numbers is paramount.

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 and effective selection of students and supportive

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

**TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

parents. Successful recruitment, retention and training of staff will be crucial.

Fraud and management of funds – regular review 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.

Stakeholders – managing the relationship with parents is critical to retaining their support.

**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.

**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 10 December 2014 and signed on the board's behalf by:

**P Jenkinson, Chair  
Chair of Trustees**

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

**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 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 Trustees' responsibilities statement. The Board of Trustees has formally met once during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Baglin	1	1
T Bailey	1	1
K Burnham, Headteacher	1	1
L Cantle	1	1
J French, Vice Chair	1	1
P Jenkinson, Chair	1	1
J Kay	0	1
S Kiff	0	0
J Laramy	1	1
A Oxborough	1	1
A Parsons	0	0
M Shoebridge	1	1

Prior to that meeting, all decisions, actions and agreements in relation to the establishment of the school were undertaken by the school's sponsors, Exeter University and Exeter college – who formed a Project Team to manage the establishment of the school. They were guided by legislative requirements and by the Department for Education and the Education Funding Agency. In consequence of those decisions, actions and agreements, the Exeter Mathematics School in late August 2014 was cleared to open as a 16-19 school with effect from 1st September 2014 in premises at Rougemont House, Exeter, which had been converted for school use.

Governance reviews:

The Trustees will review their governance structure at the end of the first academic year of operation.

The Trustees established a Finance and Resources Committee and a Curriculum Advisory Group at the one meeting which was held on 28th August 2014. The former committee's terms of reference include responsibility for the proper auditing of the Academy Trust's funds. Bishop Fleming, Chartered Accountants, have been appointed to support that process.

**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 period 3



**GOVERNANCE STATEMENT (continued)**

---

May 2013 to 31 August 2014 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 period 3 May 2013 to 31 August 2014 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 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 not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. However, for the first six months, the Finance and Resources Committee has met more frequently with the auditor present.

**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;

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 10 December 2014 and signed on its behalf, by:

**P Jenkinson  
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 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 and the Secretary of State. 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 Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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: 10 December 2014

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

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

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 Trustees' report (including the Strategic 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;
- 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 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:

**P Jenkinson  
Chair of Trustees**

**Date: 10 December 2014**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXETER MATHEMATICS SCHOOL**

---

We have audited the financial statements of Exeter Mathematics School for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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) and the Academies Accounts Direction 2013 to 2014 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Academies Accounts Direction 2013 to 2014 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 period for which the financial statements are prepared is consistent with the financial statements.

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

---

**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

17 December 2014

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

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

---

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 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Exeter Mathematics School during the period 3 May 2013 to 31 August 2014 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 2012, 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 2013 to 2014. 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 period 3 May 2013 to 31 August 2014 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 2013 to 2014 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)**

---

**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 period 3 May 2013 to 31 August 2014 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  
17 December 2014

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

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE PERIOD ENDED 31 AUGUST 2014**

	Note	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>				
Incoming resources from generated funds:				
Voluntary income	2	-	390,000	390,000
Incoming resources from charitable activities	3	322,271	1,842,729	2,165,000
<b>TOTAL INCOMING RESOURCES</b>		<b>322,271</b>	<b>2,232,729</b>	<b>2,555,000</b>
<b>RESOURCES EXPENDED</b>				
Charitable activities		235,761	-	235,761
Governance costs	6	6,972	-	6,972
<b>TOTAL RESOURCES EXPENDED</b>	4	<b>242,733</b>	<b>-</b>	<b>242,733</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>79,538</b>	<b>2,232,729</b>	<b>2,312,267</b>
Transfers between Funds	12	(9,084)	9,084	-
<b>NET MOVEMENT IN FUNDS FOR THE PERIOD</b>		<b>70,454</b>	<b>2,241,813</b>	<b>2,312,267</b>
Total funds at 1 September		-	-	-
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>70,454</b>	<b>2,241,813</b>	<b>2,312,267</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 17 to 24 form part of these financial statements.



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

**BALANCE SHEET  
AS AT 31 AUGUST 2014**

---

	<b>Note</b>	<b>£</b>	<b>2014 £</b>
<b>FIXED ASSETS</b>			
Tangible assets	9		<b>2,082,691</b>
<b>CURRENT ASSETS</b>			
Debtors	10	<b>528,886</b>	
Cash at bank		<b>170,050</b>	
		<b>698,936</b>	
<b>CREDITORS: amounts falling due within one year</b>	11	<b>(469,360)</b>	
<b>NET CURRENT ASSETS</b>			<b>229,576</b>
<b>NET ASSETS</b>			<b>2,312,267</b>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
General funds	12	<b>70,454</b>	
Fixed asset funds	12	<b>2,241,813</b>	
Total restricted funds			<b>2,312,267</b>
<b>TOTAL FUNDS</b>			<b>2,312,267</b>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:

**P Jenkinson  
Chair of Trustees**

The notes on pages 17 to 24 form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

	<b>Note</b>	<b>2014 £</b>
Net cash flow from operating activities	14	<b>175,874</b>
Capital expenditure and financial investment	15	<b>(5,824)</b>
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>170,050</b>

---

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

	<b>2014 £</b>
Increase in cash in the period	<b>170,050</b>
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>170,050</b>
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>170,050</b>

---

The notes on pages 17 to 24 form part of these financial statements.

**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

**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 and include grants from the Department for Education.

**1.3 INCOMING RESOURCES**

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 RESOURCES EXPENDED**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

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 one year from the date of approval of 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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. 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

**1.7 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**2. VOLUNTARY INCOME**

	Restricted funds 2014 £	Total funds 2014 £
Transfer of property from Exeter City Council	390,000	390,000

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Restricted funds 2014 £	Total funds 2014 £
Education	2,165,000	2,165,000

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2014 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>		
Capital Grants	1,842,729	1,842,729
Start up Grants - Project Development	300,000	300,000
Other DfE/EFA grants	22,271	22,271
	<u>2,165,000</u>	<u>2,165,000</u>

**4. RESOURCES EXPENDED**

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other 2014 £	Total 2014 £
Support costs	104,126	7,444	124,191	235,761
Governance	-	-	6,972	6,972
	<u>104,126</u>	<u>7,444</u>	<u>131,163</u>	<u>242,733</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**5. SUPPORT COSTS**

	<b>Total</b>
	<b>£</b>
Training	312
Other costs	17,835
Rent and rates	4,451
Heat and light	2,993
Insurance	6,734
Office overheads	2,506
Legal and professional	3,535
Bank interest and charges	14
Start up costs	93,255
Sub contracted staff	104,126
	<hr/>
	<b>235,761</b>
	<hr/> <hr/>

**6. GOVERNANCE COSTS**

	<b>Restricted</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	<b>2014</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	5,150	5,150
Legal and Professional	1,822	1,822
	<hr/>	<hr/>
	<b>6,972</b>	<b>6,972</b>
	<hr/> <hr/>	<hr/> <hr/>

**7. NET INCOME**

This is stated after charging:

	<b>2014</b>
	<b>£</b>
Auditors' remuneration	5,150
	<hr/> <hr/>

**8. STAFF**

The Academy had no employees during the period other than the Trustees, who did not receive any remuneration.

**a. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in the period.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2014**

**9. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Computer equipment £	Total £
<b>COST</b>			
At 3 May 2013	-	-	-
Additions	1,624,773	67,918	1,692,691
Transferred in	390,000	-	390,000
	<u>2,014,773</u>	<u>67,918</u>	<u>2,082,691</u>
At 31 August 2014	<u>2,014,773</u>	<u>67,918</u>	<u>2,082,691</u>
<b>DEPRECIATION</b>			
At 3 May 2013 and 31 August 2014	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31 August 2014	<u>2,014,773</u>	<u>67,918</u>	<u>2,082,691</u>

**10. DEBTORS**

	2014 £
EFA grants outstanding	22,271
Capital grants outstanding	171,131
VAT recoverable	335,484
	<u>528,886</u>

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

	2014 £
Amounts repayable to the EFA	328,807
Accruals and deferred income	140,553
	<u>469,360</u>
<b>DEFERRED INCOME</b>	£
Resources deferred during the year	<u>24,100</u>

At the balance sheet date Exeter Mathematics School was holding funds received in advance for boarding, travel, trips and start-up grants relating to the 2014/15 year.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

**12. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
<b>RESTRICTED FUNDS</b>					
Project Development Grant	-	300,000	(220,462)	(9,084)	70,454
Outreach grant	-	22,271	(22,271)	-	-
	<u>-</u>	<u>322,271</u>	<u>(242,733)</u>	<u>(9,084)</u>	<u>70,454</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Refurbishment Grant	-	1,842,729	-	-	1,842,729
Fixed assets transferred in	-	390,000	-	-	390,000
Fixed assets purchased from GAG and other restricted funds	-	-	-	9,084	9,084
	<u>-</u>	<u>2,232,729</u>	<u>-</u>	<u>9,084</u>	<u>2,241,813</u>
Total restricted funds	<u>-</u>	<u>2,555,000</u>	<u>(242,733)</u>	<u>-</u>	<u>2,312,267</u>
Total of funds	<u>-</u>	<u>2,555,000</u>	<u>(242,733)</u>	<u>-</u>	<u>2,312,267</u>

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

Project Development Grant – This represents one off funding received from the EFA to contribute towards start-up costs in the run up to the opening of Exeter Mathematics School.

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.

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 2014.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Restricted funds	-	322,271	(242,733)	(9,084)	70,454
Restricted fixed asset funds	-	2,232,729	-	9,084	2,241,813
	<u>-</u>	<u>2,555,000</u>	<u>(242,733)</u>	<u>(9,084)</u>	<u>2,312,267</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

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

	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	2,082,691	2,082,691
Current assets	524,546	174,390	698,936
Creditors due within one year	(454,092)	(15,268)	(469,360)
	<u>70,454</u>	<u>2,241,813</u>	<u>2,312,267</u>

**14. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £
Net incoming resources before revaluations	2,312,267
Net assets transferred on conversion	(390,000)
Capital grants from DfE	(1,842,729)
Increase in debtors	(357,755)
Increase in creditors	454,091
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>175,874</u>

**15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	
Purchase of tangible fixed assets	(1,677,422)
Capital grants from DfE	1,671,598
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<u>(5,824)</u>

**16. ANALYSIS OF CHANGES IN NET FUNDS**

	3 May 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	170,050	-	170,050
<b>NET FUNDS</b>	<u>-</u>	<u>170,050</u>	<u>-</u>	<u>170,050</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**

---

**17. RELATED PARTY TRANSACTIONS**

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

During the pre opening phase and included in these accounts are the following costs incurred by the above and reimbursed by Exeter Mathematics School:

<u>Support Cost</u>	<u>Exeter College</u>
Other Costs	£326
Office Overheads	£2,507
Legal and professional	£1,401
Governance - legal	£925

The University of Exeter charged Exeter Mathematics School £9,787 for marketing services provided by its Communications and Marketing Services department.

In addition, each of the organisations charged Exeter Mathematics School for the cost of providing staffing as follows:

Exeter College £167,381  
The University of Exeter £30,000

The amount paid to Exeter College included the cost of reimbursement for the Headteacher and one other member of staff that transferred to the employment of Exeter Mathematics School on 1 September 2014.

The Headteacher only received remuneration in respect of services they provide undertaking the role of Headteacher, and not in respect of their services as Trustee. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The Headteacher's remuneration for the period fell into the band £55,000 to £60,000.

No other related party transactions took place in the period of account.