

Registered number: 7649335

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors

J Holderness
K Loudon
A Parker
C Della Croce (resigned 3 October 2013)
A Shorrock
J Weber, Chair of Governors
P Adams (resigned 25 June 2013)
B Yue, Chair of Finance Committee
S Purves
Y-P Kloppel, Staff Governor (resigned 25 June 2013)
S Kynoch, Staff Governor
P Ashbourne, Headteacher and Accounting Officer
P Smith, Staff Governor (appointed 15 October 2013)
D Hickman

Company registered number

7649335

Principal and registered office

Thame Lane, Culham, Abingdon, Oxfordshire, OX14 3DZ

Company secretary

S Twinn

Senior management team

P Ashbourne, Headteacher
P Marechau, Head of Primary
N Tanner

Independent auditor

James Cowper LLP, 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, OX2 9GG

Bankers

Barclays Bank Plc, Marcham Road, Abingdon, Oxfordshire, OX14 1UB

Solicitors

Darbys Solicitors LLP, 52 New Inn Hall Street, Oxford, OX1 2DN

EUROPA SCHOOL UK
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors present their annual report together with the audited financial statements of Europa School UK (the academy) for the year ended 31 August 2013.

Structure, governance and management

CONSTITUTION

Europa School UK (the Company) is a company incorporated on 26 May 2011 in England and Wales, limited by guarantee with registered company number 07649335. The company is also an exempt charity. The primary governing documents for the company are its memorandum and articles of association and the Funding Agreement signed with the Secretary of State for Education on 28 June 2012.

The Governing Body acts under delegated authority from the members of the charitable company for the purposes of the Free School's charitable activities and the operation of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period are included in the Reference and Administrative Details on page 1.

Europa School UK is a Free School and, as such, is subject to UK law and regulations governing Academies including but not limited to the Academies Act (2010) and amending legislation.

MEMBERS' LIABILITY

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

GOVERNORS' INDEMNITIES

In accordance with normal commercial practice, the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5 million.

PRINCIPAL ACTIVITIES

The principal activities of the Company are establishing and operating a school serving an area centred on Abingdon and Oxford. The School offers a broad and balanced curriculum and specialises in Modern European Languages and Sciences.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Under the School's constitution, the Governing Body is comprised as follows:

- The Principal
- Up to 7 Governors (appointed by the Members of the Academy Trust)
- 2 staff Governors (elected by the staff)
- 2 parent Governors (elected by the parents)
- Up to 3 co-opted Governors (appointed by Governors who have not themselves been so appointed)

In addition, the Secretary of State for Education may appoint further Governors in certain circumstances. The staff and parent Governors are elected by secret ballot.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The school has subscribed the Oxfordshire Governors Services run by Oxfordshire County Council which offers an extensive training program for Governors and clerks locally and online via GEL (<http://www.elc-gel.org>). Most governors have attended one or more courses from induction to specialist modules as well as external educational conferences. In house training has also been organised for Safeguarding Children, first aid and OFSTED preparation. Further online training options are finally available through the school's subscriptions to Ten Governors and The Key.

ORGANISATIONAL STRUCTURE

The School opened on 4 September 2012.

This Annual Report covers the first full year of operation as a School. During this period the project was managed by the Trustees who all served as well in the Governing Body.

In preparation for the opening of the School, the organisational structure was developed as follows:

- The Principal is responsible for the day-to-day management of the School and also acts as the Accounting Officer.
- The Principal is supported by a Head of Primary and a Finance Manager.
- The Governing Body oversees the management, approves strategy and policies and monitors performance.
- The Governing Body has established the following committees:
 - o Premises and Liaison
 - o Finance and General Purposes
 - o Education – Curriculum, Standards, Teaching and Learning

RISK MANAGEMENT

Governors have introduced systems of internal controls, including operational procedures and internal financial controls in order to minimise risk. These are described in detail in the School Financial Policies and Procedures manual. An ongoing risk management process is being established identifying risks and their potential impact in a risk register and developing a risk management plan to address significant issues.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There were no material related party transactions during the period. The School does however share a site and certain site related costs with the European School, Culham.

Objectives and Activities

OBJECTS AND AIMS

The principal object and activity of the Company is the operation of Europa School UK.

The Free School Trust's object is specifically restricted to the following: to advance education for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, specialising in languages and science.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the School are:

- Teaching a strong curriculum with a unique emphasis on modern European languages and sciences, with strong links to the business and social communities.
- Preserving and developing the multilingual and multicultural ethos of the European School.
- Continuing to prepare students for the unique and desirable European Baccalaureate.
- Admitting pupils into Reception every year and fill vacancies in the other classes.
- Providing the European Schools' curriculum.
- Teaching staff adopt a plurilingual approach with their own linguistic competence providing a model for pupils. They are completely fluent in the language through which they teach and maintain an immersion approach to language acquisition.

Other conditions and requirements in respect of the School set out in the funding agreement are:

- The School will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- There will be assessment for pupils' performance as they apply to maintained schools and the opportunity to study for external qualifications;
- Religious education is given to all pupils in accordance with the requirements for agreed syllabuses;
- The admissions policy and arrangements for the School will be in accordance with admissions law, and the DfE Codes of practice, as they apply to maintained schools, subject to any exceptions granted;
- Teachers' levels of pay and conditions of service at the School will be the responsibility of the Free School Trust;
- There will be an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN; and
- There will be no charge in respect of admission to the School and the School will only charge pupils for the education provided at the school where the law allows maintained schools to charge.

PUBLIC BENEFIT

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the School.

The School meets a demand from families living in the area for a school offering a multi-lingual education. Furthermore, demand for school places in the area served by the School has risen in recent years and population forecasts show that there will be continuing pressure on school places. No account is taken of an applicant's aptitude or ability when determining admissions to the primary School.

Achievements and performance

Europa School UK opened on 4th September 2012 with 168 children across 3 years groups (Reception to year 2) within 2 streams: German/English and French/ English. The School was greatly oversubscribed.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Accreditation as a European School has been initiated through the successful submission of the General Interest File.

ESUK has successfully enhanced the European curriculum to meet the national statutory assessment arrangements. Pupils are learning the full curriculum through two languages throughout the school. Success in compulsory assessment generally matches or exceeds that of local and national norms, even though our pupils spent only half their time in the English learning context on which the assessments are based.

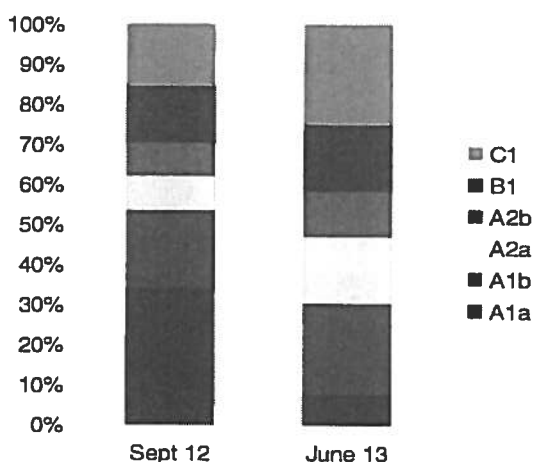
KS1 Results: Pupils achieving 2B or greater is ahead of both national and Oxfordshire norms. The success at achieving a minimum of 2C in mathematics is well ahead of national and local norms, but there is a clear need to extend the most able in the subject which is to be addressed in 2013-14.

52.6% of our Reception Class met the "Good Level of Development" standard, which compares favourably with the Oxfordshire figure of 47.9%. Within this, the mathematics results were particularly good with our 80.4% success compared with 67.7% for Oxfordshire.

Pupil with Special Needs are having those needs met.

We are clearly catering very well for our lower ability pupils. Progress in Year 1 was excellent across the board. In year 2, attention needs to be paid to stretching the high achievers.

The graph below represents the progress of pupils in French or German against CEFR criteria over 2012-13.



KEY PERFORMANCE INDICATORS

The Academy Trust uses a number of financial key performance indicators and monitors its financial position against budget on a monthly basis.

Staffing costs are monitored as a percentage of total income (General Annual grant and Start Up Grant). For the period ended 31 August 2013, staffing costs amounted to 70% of total income.

For the period ended 31 August 2013, the operating surplus before depreciation was £109,554 (11.9% of its incoming resources).

The Academy Trust also uses a number of non-financial performance indicators. These include:

- Monitoring pupils' performance:

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

- ESUK has introduced its own assessment and reporting systems and plans to continue to refine these, taking account of the requirements for Associated European Schools and those laid down by the Department for Education. Pupil progress is assessed by teachers, with confirmation provided by annual NFER tests. These are taken each year in June, but an additional round was used in November 2012 to establish a base line at the start of the school.
- All pupils are tracked and teachers assess their progress using the NC levels and Average Point Scores. There are termly pupil progress meetings and data is analysed to identify pupils who are at risk of underachievement.
- National assessments: Pupils undertake the national phonics check at the end of Year 1. The results of each school are compared to other local schools. Last year, the ESUK pupils were above the average for the local area. Year 2 pupils take the national KS1 SATs. Last year, ESUK pupils were above the national average for Literacy but some pupils were slightly below average in Maths and Writing. CPD and other resources are being targeted to address these issues.
- Standardised assessments: All pupils are also assessed annually on age-appropriate GL assessments, to make sure that the school is tracking general cognitive development and progress.
- Attainment: ESUK has achieved well above average performance in EYFS. The Phonics check results were below local norms, but given the time dedicated to embedding French and German and the level of EAL, this is not surprising in the first year of operation. Successive years will be based on pupils having a longer period in our system. Pupil progress overall was above national rates of progress.
- Attendance: ESUK has achieved good attendance rates with 97.2% attendance and 0.6% persistent absence (defined by the DfE as >15% absence out of the total possible school half-days).
- Exclusions: ESUK has had no exclusions during this reporting period.
- SEN provision: There is good provision and support, strong IEP use and pupils with SEN are monitored via Independent Provision Trackers. They made good rates of progress.
- Parental engagement: The June 2013 survey revealed a high level of satisfaction and praise for the school. Improving communication was identified as the key area for development.
- Safety and well-being: ESUK has improved site security both through clear and constant supervision and, in cooperation with the European School, in controlling access to the site. Pupils are encouraged to eat healthily and to treat each other with respect. Anti-bullying policy is in place and the few incidents reported over the year have been dealt with by positive reinforcement of good behaviour.
- Performance management: A new Appraisal system has been introduced, with key targets and a regular cycle of lesson observations take place to ensure staff have the support and CPD they need to improve and sustain quality.
- DfE feedback: The school has had three visits from the DfE Educational Adviser who has reported positively on the progress made between each visit. The school is expected to be formally inspected by Ofsted during this academic year.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School 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 Accounting Policies note of the financial statements.

The School has secured its site. On 4th July 2012, it entered into a site sharing agreement with the European

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

School until 2017. It is still in negotiations for the option agreement in view to lease the whole site from the Crown for 125 years from 2017 onwards.

Financial review

The net assets of the Academy at 31st August 2013 amount to £949,121 representing an increase of £449,909 compared to 31st August 2012. This resulted from a £109,554 surplus from the School's operating activity and a net increase of £340,355 of the fixed assets fund (capital grants received less depreciation for the year).

99% of the income received in the year relates to grants received from the Education funding Agency mainly General Annual grant and Start-Up Grant. These are shown as Restricted funds in the Statement of Financial Activities. The ratio of GAG funding per pupil was £4,102 for the year (£5,272 if we include the Start-up Grant).

Staff costs (£620,564) represent 70% of the School's General Annual Grant & Start-up Grant.

Capital grants of £420,036 were received during the year.

All classrooms have been equipped with a second fixed post for pupil and teaching assistants' use. The School has continued to supply all new staff with laptops for professional use. Various items for interactive classroom use have been added.

Four classrooms and two offices have been refurbished over the summer break. One classroom has been prepared to receive an ICT suite. Other classrooms have our standard primary equipment base.

Additional furniture for classroom storage and display has been purchased according to educational need.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, Principal, Finance managers and other staff, as well as the delegated authorities for spending.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial policies and procedures have been developed and documented in a Finance Manual. These procedures are now being embedded. Risk management procedures are also being put in place as noted in the section of Risk Management above.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Pupil numbers

Since the Academy is currently well over subscribed, risks to revenue funding from a falling roll are small. Parental approval of the school has remained high throughout (88.8% thought the standard of teaching and learning was very good or excellent in June 2013).

Funding

The Academy has almost complete reliance on continued Government funding through the EFA. In the period, nearly all the Academy's income was Government funded. However, the current freeze on the Government's overall education budget, changes in funding arrangements from 2014 and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Liquidity

The Governors examine the financial health of the Academy formally twice per term, reviewing performance against budgets and overall expenditure. At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would have a significant effect on the Academy's liquidity. Cashflow is monitored on a regular basis.

Pensions costs

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Governors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks. The school has also commissioned an independent accounting firm to provide on-going accounting assistance.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Governors 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.

Staffing

The success of the Academy is reliant on the quality of its staff, so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness.

RESERVES POLICY

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

INVESTMENTS POLICY

Cash balances enable day-to-day functions and are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk. During the period, the Academy's surplus

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

cash balances were held in a risk-limited, short-term building society account.

PLANS FOR THE FUTURE

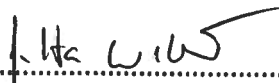
The School is now looking forward to its expansion through the increase in year groups and it is envisaged that it will eventually provide education right through from ages 4-19 when the European School will close in 2017. It has successfully started the process of Accreditation as an Associated School to the European school system with the General Interest File approved in April at the Board of Governors meeting of the European School System.

AUDITOR

In so far as the Govenors are aware:

- there is no relevant audit information of which the 's auditor is unaware, and
- the Governors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body on 4 December 2013 and signed on its behalf by:


.....
J Weber
Chair of Governors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that Europa School UK 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 educational and financial objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Following the opening of the School, the Governing Body has delegated the day-to-day responsibility to its Principal Peter Ashbourne, as Accounting Officer, for ensuring that financial controls conform with the requirements of propriety and good financial management and are in accordance with the requirements and responsibilities assigned in the funding agreement between Europa School UK and the Secretary of State for Education.

Peter Ashbourne is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The Governing Body had an initial meeting immediately after the opening of the school on the 11th September with all Trustee Governors and the Principal attending. On 8 November 2012, a full Governing Body was appointed and elected in compliance with the requirements of the Funding Agreement and Articles of Association. The Full Governing Body met 6 times during the year. Attendance at Board of Governors meetings was as follows:

Governor	Meetings attended	Out of a possible
J Holderness	6	6
K Loudon	4	6
A Parker	5	6
C Della Croce	5	6
A Shorrock	6	6
J Weber, Chair of Governors	6	6
P Adams	3	5
B Yue, Chair of Finance Committee	6	6
S Purves	5	6
Y-P Kloppel, Staff Governor	3	5
S Kynoch, Staff Governor	6	6
P Ashbourne, Headteacher	6	6
D Hickman	2	2

The Finance and General Purposes committee is a sub-committee of the main board of governors. Its main responsibilities are detailed in the School's Financial policies and procedures manual. They include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Financial Handbook and other guidance issued by the DfE and/or the EFA;
- authorising the award of contracts of or over £5,000;
- initial review and authorisation of changes to ESUK personnel establishment;
- approving salary changes;
- reviewing the reports of the auditors (acting as Responsible Officer) on the effectiveness of the financial procedures and controls. These reports are also be reported to the full Governing Body.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
P Adams	4	4
B Yue, Chair of Finance Committee	5	5
J Weber, Chair of Governors	5	5
A Parker	3	5
P Ashbourne, Headteacher	5	5
C Della Croce	4	5

The Finance Manager also attended part or all of these meetings. Clara Della Croce will continue to be part of this committee as an associate member bringing her legal expertise. Three of the committee members who served during the year were qualified accountants or Chartered accountants and two had legal expertise. Damian Hickman joined the committee on 3rd October 2013.

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 the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Europa School UK for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

THE RISK AND CONTROL FRAMEWORK

The Schools Governing Body'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 general purposes 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.

In January 2013, the board of governors appointed James Cowper LLP, the external auditor, to carry out quarterly internal assurance reviews on the adequacy and effectiveness of the financial control environment operating within the Academy in accordance with the requirements contained in the Academies Financial Handbook. The first review was carried out in June 2013. No major issues were identified. However, the auditors suggested recommendations in a few areas mainly aimed at ensuring processes / controls are put in place as the School expands and also to ensure a better segregation of duties which had not always been achieved given the small size of the Finance team. These recommendations have now been addressed.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 external auditor;
- the work of the executive managers within the academy trust 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 general purposes 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 Governing Body on 4 December 2013 and signed on its behalf by:


.....

J Weber
Chair of Governors


.....

P Ashbourne
Accounting officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As the acting Accounting Officer of Europa School UK I have considered my responsibility to notify the Schools Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Free School Trust 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 School's Governing Body are able to identify any material irregular or improper use of funds by the Free School Trust, or material non-compliance with the terms and conditions of funding under the Free School 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.



.....
P Ashbourne

Accounting Officer 4/12/13

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as Trustees for charitable activities and are also Directors of Europa School UK for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

Company law requires the Governors to prepare financial statements for each financial year which 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, if the academy for the year. In preparing these financial statements, the Governors 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 Governors 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 Governors 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 Educational Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware:

- there is no relevant audit information of which the School's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors 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 Full Governing Body on 4 December 2013 and signed on its behalf by:


.....
J Weber
Chair of Governors

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPA SCHOOL UK

We have audited the financial statements of Europa School UK for the year ended 31 August 2013 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 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 Auditor's 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 GOVERNORS AND AUDITOR

As explained more fully in the Governors' Responsibilities Statement, the Governors (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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 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 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPA SCHOOL UK

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MJ Farwell

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper LLP

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 19/12/13

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO EUROPA SCHOOL UK AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Europa School UK during the year 1 September 2012 to 31 August 2013 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 Europa School UK and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Europa School UK and the 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 Europa School UK and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF EUROPA SCHOOL UK'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of Europa School UK's funding agreement with the Secretary of State for Education dated 28 June 2012, 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. 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 2012 to 31 August 2013 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 issued by the 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 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.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO EUROPA SCHOOL
UK 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 year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper LLP

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: 19/12/13

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Investment income	2	116	-	-	116	-
Incoming resources from charitable activities	3	3,297	917,670	420,036	1,341,003	590,991
TOTAL INCOMING RESOURCES		3,413	917,670	420,036	1,341,119	590,991
RESOURCES EXPENDED						
Charitable activities	4	2,780	785,203	79,681	867,664	76,917
Governance costs	5	-	17,546	-	17,546	14,862
TOTAL RESOURCES EXPENDED	6	2,780	802,749	79,681	885,210	91,779
NET INCOMING RESOURCES BEFORE REVALUATIONS		633	114,921	340,355	455,909	499,212
Actuarial gains and losses on defined benefit pension schemes	21	-	(6,000)	-	(6,000)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		633	108,921	340,355	449,909	499,212
<i>Total funds at 1 September 2012</i>		-	(4,250)	503,462	499,212	-
TOTAL FUNDS AT 31 AUGUST 2013		633	104,671	843,817	949,121	499,212

All activities relate to continuing operations.

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

The notes on pages 22 to 38 form part of these financial statements.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)
REGISTERED NUMBER: 7649335

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	12		831,875		503,462
CURRENT ASSETS					
Debtors	13	214,429		764,839	
Cash at bank and in hand		133,309		649	
			347,738	765,488	
CREDITORS: amounts falling due within one year	14	(224,492)		(769,738)	
NET CURRENT ASSETS/(LIABILITIES)			123,246		(4,250)
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	21		(6,000)		-
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			949,121		499,212
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	110,671		(4,250)	
Restricted fixed asset funds	15	843,817		503,462	
Restricted funds excluding pension liability		954,488		499,212	
Pension reserve	15	(6,000)		-	
Total restricted funds			948,488		499,212
Unrestricted funds	15		633		-
TOTAL FUNDS			949,121		499,212

The financial statements were approved by the Governors, and authorised for issue, on 4 December 2013 and are signed on their behalf, by:

.....

J Weber, Chair of Governors

The notes on pages 22 to 38 form part of these financial statements.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	17	507,068	649
Returns on investments and servicing of finance	18	116	-
Capital expenditure and financial investment	18	(374,524)	-
INCREASE IN CASH IN THE YEAR		<u>132,660</u>	<u>649</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase in cash in the year	<u>132,660</u>	<u>649</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>132,660</u>	<u>649</u>
Net funds at 1 September 2012	649	-
NET FUNDS AT 31 AUGUST 2013	<u>133,309</u>	<u>649</u>

The notes on pages 22 to 38 form part of these financial statements.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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 issued by the EFA, applicable accounting standards and the Companies Act 2006.

Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education or other 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.

Investment income, gains and losses are allocated to the appropriate fund.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

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.

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.

Resources expended

All 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Tangible fixed assets and depreciation

All assets costing more than £500 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.

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	-	15% straight line
Computer equipment	-	25% straight line

Europa School UK entered into a site sharing agreement with the European School on 4 July 2012 for the sharing of the school site. The agreement provides Europa School UK with a license to occupy certain buildings and areas within the European School, Culham, with a view to taking full occupation of the site from 1 September 2017 onwards. Clause 3.2 of the Heads of Terms relating to the shared use of the European School with Europa School UK provides for the possibility of Europa School UK to enter into a 125 year lease with the Crown for the Entire European School site. On this basis, the expenditure incurred in relation to the refurbishment of the school building will be depreciated over a period of 50 years. In the event that Europa School UK does not obtain a long term lease of the site from the Crown from 1 September 2017, this basis of depreciation will be reviewed at that time and any impairment charges taken at this point.

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

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.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

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 quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Interest income	<u>116</u>	<u>-</u>	<u>116</u>	<u>-</u>

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Education	3,297	1,337,706	1,341,003	590,991

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	689,193	689,193	-
Start Up Grants	-	196,537	196,537	-
School building grants	-	420,036	420,036	503,462
Other DfE/EFA grants	-	9,305	9,305	-
Lead in funding	-	12,904	12,904	87,529
	-	1,327,975	1,327,975	590,991
Other government grants				
Other government grants	-	8,159	8,159	-
	-	8,159	8,159	-
Other funding				
Other income	3,297	1,572	4,869	-
	3,297	1,572	4,869	-
	3,297	1,337,706	1,341,003	590,991

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

4. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DIRECT COSTS				
Wages and salaries	-	325,843	325,843	-
National insurance	-	16,390	16,390	-
Pension cost	-	44,538	44,538	-
Other staff costs	-	4,570	4,570	-
Educational supplies	-	36,519	36,519	-
Trip costs	2,780	-	2,780	-
Other direct costs	-	1,412	1,412	-
	<u>2,780</u>	<u>429,272</u>	<u>432,052</u>	<u>-</u>
SUPPORT COSTS				
Wages and salaries	-	184,022	184,022	15,412
National insurance	-	17,385	17,385	1,869
Pension cost	-	27,816	27,816	2,287
Depreciation	-	46,111	46,111	-
Catering	-	4,669	4,669	1,818
Site sharing charges	-	61,855	61,855	-
Office overhead	-	9,239	9,239	-
Recruitment and support	-	2,701	2,701	15,492
Technology	-	20,568	20,568	8,489
Maintenance of premises and equipment	-	211	211	940
Security and transport	-	1,747	1,747	3,422
Insurance	-	8,256	8,256	209
Other support costs	-	7,822	7,822	2,304
Consultancy fees	-	9,640	9,640	24,675
Asbestos disposal	-	33,570	33,570	-
	<u>-</u>	<u>435,612</u>	<u>435,612</u>	<u>76,917</u>
	<u>2,780</u>	<u>864,884</u>	<u>867,664</u>	<u>76,917</u>

5. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	5,500	5,500	3,500
Auditors' remuneration - non-audit services	-	2,250	2,250	750
Legal and professional fees	-	5,301	5,301	10,331
Governors' reimbursed expenses	-	4,495	4,495	281
	<u>-</u>	<u>17,546</u>	<u>17,546</u>	<u>14,862</u>

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Direct costs	386,771	-	45,281	432,052	-
Support costs	229,223	46,111	160,278	435,612	76,917
Charitable activities	615,994	46,111	205,559	867,664	76,917
Governance	-	-	17,546	17,546	14,862
	615,994	46,111	223,105	885,210	91,779

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Education	432,052	435,612	867,664	76,917

8. NET INCOMING RESOURCES

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the charity	46,111	-
Auditors' remuneration	5,500	3,500
Auditors' remuneration - non-audit services	2,250	750

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

9. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	509,866	15,412
Social security costs	33,775	1,869
Other pension costs (Note 21)	72,354	2,287
	<u>615,995</u>	<u>19,568</u>

The average number of persons (including the senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	2013 No.	2012 No.
Teachers and teaching assistants	15	0
Admin and support	1	0
Management	3	2
	<u>19</u>	<u>2</u>

The number of employees whose emoluments fell within the following bands was:

	2013 No.	2012 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	0
	<u>2</u>	<u>0</u>

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff members amounted to £19,975 (2012: £nil).

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

10. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2013 £	2012 £
P Ashbourne, Headteacher	75,000-80,000	-
S Kynoch, Staff Governor	25,000-30,000	-
Y-P Kloppel, Staff Governor	10,000-15,000	-

During the year ended 31 August 2013, expenses totalling £4,495 (2012 - £281) were reimbursed to 5 Governors. The expenses included amounts paid by the Governors on behalf of the School.

During the year retirement benefits were accruing to 3 Governors (2012: £nil) in respect of defined benefit pension schemes. The pension contributions for the Governors amounted to £18,371 (2012: £nil).

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £201 (2012 - £NIL).

The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2012	477,494	25,968	-	503,462
Additions	186,714	18,352	169,458	374,524
At 31 August 2013	664,208	44,320	169,458	877,986
Depreciation				
Charge for the year	10,045	5,379	30,687	46,111
At 31 August 2013	10,045	5,379	30,687	46,111
Net book value				
At 31 August 2013	654,163	38,941	138,771	831,875
At 31 August 2012	477,494	25,968	-	503,462

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

13. DEBTORS

	2013	2012
	£	£
Trade debtors	-	634,022
Other debtors	206,094	111,447
Prepayments and accrued income	8,335	19,370
	214,429	764,839
	214,429	764,839

14. CREDITORS:
Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	60,993	646,607
Other taxation and social security	-	7,434
Other creditors	55	111,447
Accruals and deferred income	163,444	4,250
	224,492	769,738
	224,492	769,738

Deferred income

Resources deferred during the year		£
		2,746
		2,746

At the balance sheet date the Academy was holding funds received in advance for grants for the year ending 31 August 2014.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General funds	-	3,413	(2,780)	-	633
Restricted funds					
General Annual Grant (GAG)	-	689,193	(578,522)	-	110,671
Lead in funding	(4,250)	12,904	(8,654)	-	-
Start Up Grant	-	196,537	(196,537)	-	-
Other grants	-	19,036	(19,036)	-	-
Pension reserve	-	-	-	(6,000)	(6,000)
	<u>(4,250)</u>	<u>917,670</u>	<u>(802,749)</u>	<u>(6,000)</u>	<u>104,671</u>
Restricted fixed asset funds					
School building grants	503,462	420,036	(79,681)	-	843,817
Total restricted funds	<u>499,212</u>	<u>1,337,706</u>	<u>(882,430)</u>	<u>(6,000)</u>	<u>948,488</u>
Total of funds	<u><u>499,212</u></u>	<u><u>1,341,119</u></u>	<u><u>(885,210)</u></u>	<u><u>(6,000)</u></u>	<u><u>949,121</u></u>

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. 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 2013.

Lead in funding represents the balance of funding received during the year from the EFA for expenditure incurred in delivering a range of activities prior to the opening of the Europa School UK on 4 September 2012. This included administration and finance support, the running of the project office and team, the cost of staff appointed from July 2012, marketing, promotion, software and other sundry expenses.

Other grants include Special Education Needs (SEN) funding which is received from the EFA to cater for pupils with learning difficulties and other disabilities.

The pension reserve represents the Local Government Pension Scheme deficit.

Fixed asset funds

School Building Grants represent funding received from the EFA for the expenditure incurred in refurbishing the school buildings, including classrooms and administrative offices.

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**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	-	3,413	(2,780)	-	633
Restricted funds	(4,250)	917,670	(802,749)	(6,000)	104,671
Restricted fixed asset funds	503,462	420,036	(79,681)	-	843,817
	<u>499,212</u>	<u>1,341,119</u>	<u>(885,210)</u>	<u>(6,000)</u>	<u>949,121</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	831,875	831,875	503,462
Current assets	633	335,161	11,941	347,735	765,488
Creditors due within one year	-	(224,489)	-	(224,489)	(769,738)
Pension scheme liability	-	(6,000)	-	(6,000)	-
	<u>633</u>	<u>104,671</u>	<u>843,817</u>	<u>949,121</u>	<u>499,212</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before revaluations	455,909	499,212
Returns on investments and servicing of finance	(116)	-
Depreciation of tangible fixed assets	46,111	-
Capital grants from DfE	-	(503,462)
Decrease/(increase) in debtors	550,410	(764,839)
(Decrease)/increase in creditors	(545,246)	769,738
Net cash inflow from operations	<u>507,068</u>	<u>649</u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	<u>116</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(374,524)</u>	<u>-</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	31 August 2013 £
Cash at bank and in hand:	<u>649</u>	<u>132,660</u>	<u>133,309</u>
Net funds	<u>649</u>	<u>132,660</u>	<u>133,309</u>

20. CAPITAL COMMITMENTS

Europa School UK is party to a contract for the provision of ICT systems and services over a 5 year period totalling £567,867. Of this amount, £180,231 has been spent during this financial year and the balance will be spent over the next 4 years. This capital expenditure is funded by capital grants received from the EFA.

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 Oxfordshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS to the period ended 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by

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21. PENSION COMMITMENTS (continued)

Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no

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21. PENSION COMMITMENTS (continued)

decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £29,000, of which employer's contributions totalled £22,000 and employees' contributions totalled £7,000. The agreed contribution rates for future years are 19.3% 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.

The amounts recognised in the Balance Sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(38,000)	-
Fair value of scheme assets	32,000	-
	<hr/>	<hr/>
Net liability	(6,000)	-
	<hr/> <hr/>	<hr/> <hr/>

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

	2013 £	2012 £
Current service cost	(22,000)	-
Interest on obligation	(1,000)	-
Expected return on scheme assets	1,000	-
	<hr/>	<hr/>
Total	(22,000)	-
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	(2,000)	-
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

21. PENSION COMMITMENTS (continued)

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

	2013	2012
	£	£
Current service cost	22,000	-
Interest cost	1,000	-
Contributions by scheme participants	7,000	-
Actuarial losses	8,000	-
	<hr/>	<hr/>
Closing defined benefit obligation	38,000	-
	<hr/> <hr/>	<hr/> <hr/>

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

	2013	2012
	£	£
Expected return on assets	1,000	-
Actuarial gains and (losses)	2,000	-
Contributions by employer	22,000	-
Contributions by employees	7,000	-
	<hr/>	<hr/>
	32,000	-
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was a loss of £6,000 (2012 - £NIL).

The estimated value of employer contributions for the year ending 31 August 2014 is £21,000.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
Equities	69.00 %	- %
Gilts	12.00 %	- %
Other bonds	4.00 %	- %
Cash	4.00 %	- %
Property	6.00 %	- %
Other (Hedge funds)	5.00 %	- %

Principal actuarial assumptions at the Balance Sheet date:

	2013	2012
Discount rate for scheme liabilities	4.70 %	- %
Rate of increase in salaries	5.10 %	- %
Rate of increase for pensions in payment / inflation	2.90 %	- %
Inflation assumption (CPI)	2.90 %	- %
Inflation assumption (RPI)	3.70 %	- %

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2013	2012
Retiring today		
Males	19.2	-
Females	23.2	-
Retiring in 20 years		
Males	21.1	-
Females	25.1	-

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(38,000)	-
Scheme assets	32,000	-
Deficit	(6,000)	-
Experience adjustments on scheme assets	2,000	-

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the Governing Body, it is possible that transactions may take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

23. CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure in the financial statements.

24. CONTROLLING PARTY

The ultimate controlling party is that of its governors as detailed on page 1 of the financial statements.