

Company Registration Number: 07649335 (England & Wales)

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

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**EUROPA SCHOOL UK**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

A Parker (resigned 17 April 2021)  
C Dalla Croce (resigned 10 June 2021)  
J Holderness-Laar  
K Loudon  
A Shorrocks (resigned 17 April 2021)  
J Weber (resigned 31 August 2021)  
A Brent (appointed 2 September 2021)  
T Stock (appointed 8 October 2021)

**Governors**

L Wood, Principal and Accounting Officer<sup>1</sup>  
A Brent, Chair of Governors until 7 October 2021<sup>1</sup>  
J Holderness-Laar  
S Purves, Deputy Chair of Governors, Chair of Finance<sup>1</sup>  
S Kynoch (resigned 31 October 2020)  
L Kan  
R Barter (resigned 13 September 2021)<sup>1</sup>  
S Philippot-Gasc  
T Stock, Chair of Governors from 8 October 2021<sup>1</sup>  
S Wright<sup>1</sup>  
B Durkin (appointed 14 October 2020)<sup>1</sup>  
E A Bressan (appointed 18 January 2021)  
K N Loudon (appointed 9 March 2021)  
A Sidbury (appointed 1 June 2021)<sup>1</sup>

<sup>1</sup> Member of the Finance, Audit and General Purposes Committee

**Company registered number**

07649335

**Company name**

Europa School UK

**Principal and registered office**

Culham  
Abingdon  
Oxfordshire  
OX14 3DZ

**Senior leadership team**

L Wood, Principal  
P Marechau, Head of Primary  
S Kynock, Acting Deputy Head of Primary, SENCO & Safeguarding Lead  
T Simpson, Deputy Head of Secondary  
R Butcher, Deputy Head of Secondary  
M-C Greenwood, Director of Finance and Operations  
A Cole-Morgan, HR and School Development Manager

**Independent auditor**

Cooper Parry Group Ltd  
Chartered Accountants  
Statutory Auditor  
Park View  
One Central Boulevard  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8BG

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Bankers**

Barclays Bank PLC  
Marcham Road  
Abingdon  
Oxfordshire  
OX14 1UB

Lloyds Bank Plc  
8 Ock Street  
Abingdon  
Oxfordshire  
OX14 5AP

Virgin Money Plc  
129-129A High Street  
Oxford  
Oxfordshire  
OX1 4DF

**Solicitors**

Freeths LLP  
Power House  
Harrison Cloase  
Knowhill  
Milton Keynes  
MK5 8PA

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

**EUROPA SCHOOL UK**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' and a Directors' report, including a strategic report, under company law.

The principal activity of the Company is 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, leading to the European Baccalaureate qualification for the last year in June 2021, and subsequently to the International Baccalaureate qualification from June 2022. Europa School UK opened in September 2012 and has been an all-through (4 to 19 years old) school since September 2017, with 622 and 356 pupils currently enrolled in Primary and Secondary respectively based on the Autumn 2021 Census.

### **Structure, governance and management**

#### **a. Constitution**

Europa School UK (hereafter referred to as the 'Company', the 'School' or the 'Academy Trust') 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 Governors act as the Trustees for the charitable activities of the School and are also the Directors of the charitable company for the purpose of company law. The charitable company operates as Europa School UK.

Details of the Governors who served throughout the period and to the date of approval of this report and financial statements 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.

#### **b. 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. The details on members' liability can be found in the company's Memorandum and Articles of Association.

#### **c. Governors' indemnities**

The Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members and Governors from claims arising from negligent acts, errors or omissions whilst on Trust business. The scheme provides cover up to £10,000,000.

#### **d. Method of recruitment and appointment or election of Governors**

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

- The Principal, who is treated for all purposes as being an ex-officio Governor
- Up to 7 Governors, who are appointed by the Members of the Academy Trust
- 2 Staff Governors, who are elected by staff at the Academy Trust
- 2 Parent Governors, who are elected by parents of registered pupils at the Academy Trust
- Up to 3 coopted Governors, who are appointed by Governors who have not themselves been so appointed.

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

**Structure, governance and management (continued)**

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.

Governors are appointed for a four-year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors by co-optation, the Governing Body will consider the skills and experience mix of existing Governors, in order to ensure that the Governing Body has the necessary skills to contribute fully to the Academy Trust's ongoing development.

**e. Policies adopted for the induction and training of Governors**

The School has subscribed to the Oxfordshire Governors' Services run by Oxfordshire County Council which offers an extensive training program for Governors and Clerks locally and online. 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. Training opportunities during 2020-21 have mainly been on-line due to the restrictions caused by the pandemic. Further online training options are available through the School's subscriptions to The Key.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Governors, through both an internal shared drive facility and the Oxfordshire County Council Governors' Hub. Regular updates, including the latest information on COVID-19, are regularly emailed by the Clerk to the Governors on the Governors' Hub.

**f. Organisational structure**

The Governing Body oversees the management, approves strategy and policies and monitors performance. The Governors are responsible for adopting a three-year financial and development plan and an annual budget, approving the annual statutory accounts, monitoring the Trust by the use of management accounts and other data, and making the major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Governing Body meets at least twice each term. It has established an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees of the Governing Body and other working groups. The Governing Body receives reports, including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. It may also from time to time establish working groups to perform specific tasks over a limited timescale.

The Governing Body has established the following four Committees, each one having its own terms of reference detailing the responsibilities discharged to it:

- Premises and Liaison
- Finance, Audit and General Purposes
- Primary Education – Curriculum, Standards, Teaching and Learning
- Secondary Education – Curriculum, Standards, Teaching and Learning

A Fundraising Group has been established by the school as a working group to promote development and income-generating initiatives. Some Governors contribute to this group and a nominated Governor reports back to the Governing Body, although the Fundraising Group does not sit under the formal auspices of the Governing Body.

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

**Structure, governance and management (continued)**

The following decisions are reserved for the full Governing Body:

- To consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure
- To appoint or remove the Chair and/or Deputy Chair
- To appoint and/or consider the performance management of the Principal.

The Governors have devolved the day-to-day management of the School to the Senior Leadership Team ('SLT'), which is led by the Principal. The SLT comprises the Head of Primary, the Deputy Head of Primary, two Deputy Heads of Secondary, the Director of Finance and Operations and the HR and School Development Manager. The Principal is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust. The SLT implements the policies laid down by the Governors and reports back to them on performance.

**g. Arrangements for setting pay and remuneration of key management personnel**

The Governors consider the Governing Body and the Senior Leadership Team to comprise the key management personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis. All Governors give their time freely and no Governor received any remuneration in the current or prior year, other than those Governors who are also employees of the School. Details of Governors' remuneration and expenses are disclosed in note 10 of the financial statements.

The pay of the Senior Leadership Team is reviewed annually by the Board of Governors / Remuneration Committee in line with the School's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	<b>4,468,518</b>
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, governance and management (continued)**

**i. Related parties and other connected charities and organisations**

There are no related parties or connected organisations that either control or significantly influence the decisions and operations of the School.

Since 1 September 2017, the School had been occupying the Culham site under a series of temporary Licences to Occupy Agreement between the Secretary of State for Housing Communities and Local Government and Europa School UK. Following the expiry of the previous Licence on 31 March 2018, the School occupied the site without a Licence, until the last Licence to Occupy was signed on 22 January 2020. This Licence expired on 4 September 2020, being the commencement date of the Agreement for Lease between the Secretary of State for Housing Communities and Local Government and Europa School UK.

The Agreement for Lease will remain in place until the ongoing programme of capital and maintenance works funded by the ESFA is fully completed, at which point the Agreement for Lease will cease and a 125-year Lease Agreement will be entered into by the Academy Trust. The signing of the Lease Agreement is expected to take place during the 2021-22 academic year.

**Objectives and activities**

**a. Objects and aims**

The principal objects of the Trust, as set out in its Articles of Association, are to:

- Operate Europa School UK
- Advance for the public benefit education 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 Sciences.

**b. Objectives, strategies and activities**

The key priorities for the period are contained in the Trust's Development Plan which is available from the Principal.

The main objectives of the School are:

- Teaching the European Schools' curriculum as enhanced by the requirements of the English National Curriculum with an emphasis on modern European Languages and Sciences, with strong links to the business and social communities
- Preparation of the last cohort of pupils for the European Baccalaureate ('EB'), taken in the last year of Secondary
- Preparation of pupils for the International Baccalaureate ('IB') diploma, to replace the EB as the School's exit examination from 2022
- During this year, the School has also begun the transition to the International Baccalaureate (IB) Middle Years Programme to replace the EB curriculum for Secondary
- Teaching staff adopt a pluri-lingual 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.



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

**Objectives and activities (continued)**

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 will be 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 Department of Education ('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
- 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.

The School is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

**c. Public benefit**

The Trust aims to advance for the public benefit education in Abingdon and the surrounding area, offering a balanced curriculum, specialising in Languages and Sciences, and an excellent education environment for its pupils. 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 School.

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

**Strategic report**

**Achievements and performance**

**a. Review of activities, achievements and performance**

The main activities of Europa School UK ('ESUK') for the year ended 31 August 2021 were as follows:

2020-21 was the fourth year of operation of the all-through school offering European School education in Oxfordshire. Given the very specific nature of the European Baccalaureate, particularly the language demands, there were only a few enquiries for the spare places in S5 to S7, but with the Primary section again at full capacity, the total School role reached 920 of the potential 964 places.

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**GOVERNORS' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

Europa School UK enlarged its intake at Reception from 56 to 84 in 2015-16 and will therefore continue to grow to a full three-form entry all-through school. The Governing Body agreed to increase the Published Admission Number ('PAN') in Reception to 90 starting from September 2019. Demand for places is strong: for entry into Reception in 2021, there were 199 first preference applications for 90 places.

Europa School UK continued to be an Accredited European School until 31 August 2021, the only one in the UK. However, due to Brexit, this was the last year of our accreditation and much of the future planning over the year has been on developing a new curriculum model. The School has enhanced the European Schools' curriculum to meet the national statutory assessment arrangements. Pupils are learning the full curriculum through two languages throughout the Primary school. Success in compulsory assessment generally matches or exceeds that of local and national norms, even though our pupils spend only half their time in the English learning context, on which the assessments are based.

Multi-lingual education continues in Secondary, by subject specialism, with Human Sciences studied in the second language, along with the language itself being compulsory right through to the Baccalaureate. A third language is compulsory from S1 to S5 and may be continued for the Baccalaureate.

Roughly half our intake has English as an additional language ('EAL', the national figure being 18%) and all Primary pupils are learning in a language other than English for half the week. The performance against national measures of literacy must be seen in this light, but the School continues to show added value in this area.

This academic year was significantly impacted by the COVID epidemic where all National Key Stage assessments were cancelled. The School remained open throughout the national lockdown period from 6 January to 8 March 2021 for children of Key Workers and vulnerable families and to provide distance learning for all cohorts. We also allowed some SEN students to access in-school provision for 1-1 and small group support, as well as offering extra virtual support sessions.

The School's distance learning provision was in place before the start of the lockdown due in part to good anticipation and pre-planning following the lockdown in the previous academic year. We had an established Google Classroom platform in place for homework and assignment communication across Secondary and upper Primary, as well as established use of Google Meets as a virtual learning environment. In Secondary, the students were given a distance learning timetable providing 2-3 contact periods per week for each subject to deliver work for the full amount of subject study. These timetabled lessons very quickly became the hubs for delivery of online lessons, with break-out sessions provided for small group language support. In Primary, the provision was via Google, and again teachers moved to online virtual lessons and assemblies. Training on the Google platform was delivered centrally and on a one-to-one support basis and was ongoing during the lockdown period. Although the supply was limited, the School loaned its laptops to students with no provision or in situations where several siblings were sharing one device. Many Primary teachers provided printed workbooks as well. Some online testing was also performed particularly in upper Secondary.

All scheduled School meetings continued virtually during the lockdown period and following the reopening of the School. Furthermore, the School developed many opportunities for students to work together virtually and to provide more variety to their distance learning. Examples included virtual project weeks for S1-S3, work experience week for S4 and a Careers and UCAS week for S6.

Student wellbeing was a particular concern and class teachers were instrumental in maintaining contact and referring concerns to the Leadership Team. An email for safeguarding concerns was set up and the Designated Safeguarding Leads met regularly to discuss issues.

Staff wellbeing was also paramount with the School setting up a Staff Wellbeing Committee which met regularly. The School also bought membership of an Employee Engagement Programme ('EEP') to provide access to support services, including for mental health concerns.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

School funding for COVID catch-up was £68,654 for 2020-21. This was allocated across the School, specifically:

- **Supporting teaching:** Extra hours for Teaching Assistants and SENCO provision, buying licences for software resources
- **Teaching assessment and feedback:** The School bought in GL assessments, but also used internal resources
- **Improve transitional support for students:** Particularly on admission points in Reception and Year 6, but also between the Primary and Secondary school. This included the development of virtual tours and online brochures
- **Extra tuition:** Small group work in KS5 and subsidised virtual tuition in Primary for Mathematics
- **Extra school time:** Extra curriculum time for stream language catch-up
- **Access to technology:** Additional laptop provision.

The School deferred £1,668 of the 16-19 catch-up funding to 2021-22. This was due to better expected progress in S7 following the lockdown and the difficulty in finding tutors for English and Mathematics. Some teachers, including the Principal, generously gave their time to support some students before examinations.

The School also ran a successful Summer School to support academic catch-up and transition-year socialisation for Year 6 and S6 in July 2021. Take-up was very high.

The School is unique in the UK in following the European Schools' programme, culminating in the European Baccalaureate at age 18. In this academic year, the European Baccalaureate was awarded as normal, with no narrowing of curriculum content or assessment, except for the cancelling of oral examinations which contributed 15% to the final mark and which were replaced by the second semester course mark. We were the only school in the UK to have public examinations for our S7 (Year 13) cohort. Our S7 students achieved 100% pass rate with an average mark of 79.3%. If we were to use A-Level equivalences set by the DfE, five of our students would have received the equivalent of 3A\*s and 40% would have been awarded the equivalent of 3As, an exceptional achievement. The performance of our students in Maths was also the highest of all the European Schools across Europe.

All of our students are intending to go on to Higher Education and current destinations include top Universities in the UK and across Europe. A larger number than usual decided to defer their application or to apply for deferred university entry in 2022.

The School was successful in obtaining National Examination centre status for GCSEs and A-Levels due to the difficulties in using other centres for our students. We entered a small number of students for English and Maths GCSEs (due to their decision to leave the School at the end of S5 or Year 11) and a small cohort of Italian students where we could not guarantee a Sixth-Form Italian course. Of the small cohort of nine students, 89% obtained Grade 4 or above in English and Mathematics and 100% obtained Grade 4 or above in Italian.

The School has a relatively low number of pupils eligible for the Pupil Premium payment. We put extensive measures in place for these pupils and they are achieving good results and making similar, and in some cases, better progress than their peers.

We have a qualified SENCO in place in Primary, who has supervised a full programme of identification and support of those with Special Educational Needs.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

Currently, there are 62 children identified as having SEN, for which they are receiving additional and different support. This number will grow to at least 70, as we continue to assess the Reception intake after the second lockdown. Under the terminology for SEN, all these children receive 'SEN Support.' There is no distinction made in the reported data as to whether they are receiving or have received support from professionals outside the School. However, the School records all interventions and professionals involved. One child in Primary has an EHCP and another three applications are in progress, with a fourth anticipated. According to Primary need, 49% of the children are supported for Cognition and Learning needs (C&L), 37% for Emotional and Behavioural difficulties (SEMH) and 14% for Communication and Interaction (C&I). Some of the children are supported for more than one area of learning need. Due to improved early identification, we currently support two children in Reception with additional adult help. This was not anticipated or budgeted, but essential for the safety of all. The split in SEN type is similar to that of last year, with a rise in SEMH and fewer C&I children.

We have a newly-appointed Secondary SENCO in place, who has completed the required training programme. She is supported by other colleagues, including the Pastoral Support Team.

The table below summarises the SEN profile of the Secondary School:

Area of Need	Numbers	Notes	Comments	EHCP
C&L (Dyslexia)	36	There are a growing number of our students working at a primary level for Literacy and Numeracy skills	We have seen an increase in the numbers of students relying on laptops for their writing, due to scribing issues and spelling	1 (left)
SEMH	23	This number relates to known students with diagnosed conditions or severe issues that affect learning	There has been an increase in students (15% approx.) with anxiety following the COVID pandemic. We have increased capacity in our Pastoral Team to provide support	
C&I (ASD)	8 (+3)	We have some students suspected of ASD, but undiagnosed. The number is increasing also due to females being diagnosed.	As we learn more about ASD, the number and the level of intervention develops. A new issue is ASD in females that impacts gender identity in teens.	
P&SD	5	Physical & sensory difficulties tend to be specific and can be supported with the right knowledge and tools.	We have many requests for students to be let off PE, for a variety of reasons.	

When predicting the impact of an area of need or difficulty in a cohort, it is necessary to consider also the co-morbidity or complexity of challenges that affect learning, causing barriers or delays. Anxiety is a problem among a growing number of our young people in Secondary, to an extent that it is becoming an educational need. The direct impact on education of this stress can be serious: school avoidance, interrupted schooling, loss of confidence, negative approach to learning and under-performance. Many different interventions have been put in place to mitigate these problems, including referral to School Nurse, support groups with peers, individual support sessions, time out in the sensory room, building a team of peer support around the student, support sessions for Communication & Interaction skills and support and adjustments made for assessment cycles.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

There were also many challenges to the School during this academic year due to the implications of Brexit and the loss of the ES accreditation in July 2021. The School obtained International Baccalaureate World School status for the Diploma programme and started teaching the IB diploma in September 2020. Throughout this period, we worked closely with the Office of the Regional Commissioner for Schools (London and South Region) and the DfE European Schools Group. We have also worked on new curriculum proposals for our Primary and Secondary schools below S6. The Trust has decided to implement an IB Middle Years Programme ('MYP') in S1-S5 (Years 7-11) and, in April 2021, we agreed a transitional arrangement with the European Schools ('ES') and the DfE for the use of ES syllabuses, so that cohorts of students are able to finish Key Stages using consistent syllabuses and curriculum.

In September 2017, Europa School UK took over supervision of the entire site from the European School, but ultimate responsibility for the site remains with the DfE until a full lease is in place. The campus had been much neglected over the past decade during the closure phase of the European School. We have been negotiating with the DfE concerning the scope of the works to be carried out on the site, covering the statutory landlord's obligations and a capital works programme to deliver the "safe, warm and dry" promise made by the Minister of State for Education.

In addition, the DfE have agreed to commission additional works, which the School identified in other areas of the site outside the scope of the original programme. This positive outcome will significantly reduce the maintenance costs for the Trust in the next few years and make the site more affordable.

The capital works programme started in July 2020 and continued over the academic year. The maintenance works and landlord obligations started in July 2019 and, due to the significant backlog of repair works, this programme is likely to continue into 2022. The infrastructure improvements are significant and welcome. The School signed an Agreement for Lease with the DfE in September 2020 and now needs to agree a Deed of Covenant for the Footbridge with Oxfordshire County Council.

Our School has a growing profile: the third stream (English and Spanish) opened in September 2015 and has currently reached Year 5 in the academic year 2020-21. The School lacks large classroom space to accommodate this increasing roll and we have engaged in parental fundraising to afford internal restructuring in one of the campus buildings to create two large Primary classrooms. This building project was started in January 2020 (after receiving a licence from the ESFA), but was delayed during the COVID lockdown and was finally completed early September 2020. Our existing Primary accommodation is distributed around three main areas, one of which is temporary buildings consisting of 8 classrooms. The temporary buildings were life-expired and, during the winter of 2019-20, the roofs of some of the classrooms failed and the classes had to be evacuated to other areas of the School (Drama Studio for instance). The School submitted a CIF bid in December 2019 to replace the life-expired classrooms, however the DfE decided to take over the replacement programme. This replacement programme is in two phases: firstly, to replace the units with temporary refurbished units (completed in September 2020), and then to build a permanent modular structure, the design and planning of which has been delayed and is now expected to start in November 2021.

The School renewed its fundraising call to parents in Autumn 2020, reflecting the challenging financial climate at that time. Our income continues to be low and our outgoings are always increasing, experiences shared by many other schools, especially in the context of the educational catch-up following the COVID pandemic. We also still need to complete the classroom building programme in the Hostel Block to move the Primary classes from the Secondary building in time for the growth in Secondary numbers.

The School has taken other necessary steps to counteract our low funding, for example by increasing student numbers in our incoming Reception classes to 30 and a flat management structure. We remain very much committed to keeping our costs as low as possible. This year, we have raised £114K from parents in response to our fundraising appeal.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Key performance indicators**

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

- In the Primary School, ESUK follows the European Schools' assessment and reporting systems and the DfE requirements for reporting pupils progress and attainment. Pupil attainment and progress is normally assessed by teachers and moderated by exchange with local schools as well as being subject to the external national assessments. In this academic year however, all key state assessments were cancelled.
- All pupils are tracked and teachers assess their progress using the criterion references scales of the European Schools, with national tests for baselines and progress accountability. There are termly pupil progress meetings and data is analysed to identify pupils who are at risk of underachievement.
- National assessments in Primary: Pupils are assessed against EYFS measures, the national phonics check and KS1&2 SATs. The results are compared with national and county statistics. In this academic year due to the COVID epidemic, all national assessments were cancelled. Instead, the Primary school set harmonised and standardised assessments in reading, writing and mathematics across all cohorts. These assessments have facilitated the targeting of extra support for groups and individual students across the Primary school.
- Attainment in Primary is measured against National Curriculum expectations in English literacy, numeracy and science. All areas of the curriculum are reported to parents each semester against the European Schools' criterion referenced measure.
- Assessments in Secondary: Students were assessed against European School assessment criteria and internal examinations were carried out as normal in . In year 13, the school was able to carry out all the usual public and internal examinations except the oral examinations for the Baccalaureate candidates. The School was one of the only schools in the UK to hold public examinations which were externally marked. The results were excellent considering that there was no change to curriculum or examination content and the students had lost learning time during the lockdown in early spring.
- A specific variation to our Funding Agreement recognises the unique status of ESUK in offering the European Schools' curriculum and Baccalaureate. As a consequence, the School does not enter pupils for GCSE and is not included in national performance tables for Secondary. To complement the DfE defined measures of Year 11 to 12 retention and Baccalaureate success, the School continues the GL assessment tests into lower Secondary to further monitor progress.
- ESUK is subject to a dual inspection system. As a UK state school, ESUK falls within the regular OFSTED inspection regime. As a European School it was subject to two-yearly inspections to reconfirm accreditation until 31 August 2021, when the European accreditation ceased. Separately in 2020-21, ESUK was subject to IBO scrutiny to achieve accreditation as a World School.
- Attendance: The School achieved good attendance rates from September up to the lockdown in January 2021 and following the reopening on 8 March 2021. During the lockdown attendance in the School sitting and virtually was very good and teacher followed up any lapse in attendance. Some classes/year groups were isolated at home due to infections within the bubble, but this was mainly in the lower Primary school.
- The school launched parent questionnaires in Primary and Secondary Secondary student survey to gain feedback at the end of the Summer term 2021. The results were very pleasing across both parts of the School: the feedback has proved useful in planning site improvement over the Summer including toilet repairs but also the end of restrictions caused by the capital works programme.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

- Exclusions: ESUK has had no exclusions during this reporting period.
- SEN provision: There is good provision and support and pupils with SEN are monitored via Pupil Profiles, which cover an assess, plan, do, review cycle. We monitor SEN pupils via pupil progress meetings, but the pupil profiles give us the expectations for their progress. TA support is planned with clear guidelines given and progress monitored. All SEN students in S7 (Year 13) over the past four years have passed their Baccalaureate with special arrangements in place.
- Safety and well-being: In September 2017, ESUK took over supervision of the entire site from the European School, but ultimate responsibility for the site remains with the DfE until a full lease is in place. ESUK has managed some challenging situations to ensure that a high level of safety and security is offered throughout. Pupils are encouraged to eat healthily and to treat each other with respect. anti-bullying policy is in place and the isolated incidents reported over the year have been dealt with by positive reinforcement of good behaviour, an updated fire action and business contingency plan . A COVID policy and risk assessment is in place and regularly updated.
- Performance management: Our appraisal system includes key targets and a regular cycle of lesson observations to ensure staff have the support and C they need to improve and sustain quality. Despite COVID restrictions, all appraisals including lesson observations went ahead.

The Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves carried forward. At 31 August 2021, the balance of the unrestricted and restricted income reserves was £494,396 (2020: £445,721). Further details on the level of reserves held by the Trust are set out in the Reserves Policy section below.

As the majority of the Trust's funding is based on pupil numbers, the number of pupils is also a key performance indicator. The total number of pupils during the year ended 31 August 2021 was 920, which is an increase of 2.2% from the previous year.

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs to total educational grant funding (being General Annual Grant 'GAG', plus other operating educational grants from the Education and Skills Funding Agency 'ESFA' and/or Local Authority) for the year was 82.1% (2020: 83.4%), while the percentage of staff costs to total costs (excluding depreciation and Local Government Pension Scheme 'LGPS' FRS102 pension cost charges) was 77.3% (2020: 76.2%).

**c. Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has sufficient resources to continue in operational existence for the foreseeable future. Following notification from the ESFA in Autumn 2019, the School currently receives funding basis to actual pupil numbers. This recognises the addition of the third (Spanish) stream, since the alternative funding model based on the previous year's census would effectively mean the top Spanish stream is not funded. This arrangement has been agreed for three academic years from 2019 to 2022, following which the current default is a return to funding based on the previous year's census. As a return to funding based on the previous year's census would mean the top Spanish stream would once again not be funded until they complete their schooling in August 2029, creating a significant cost pressure for the School, the Governing Body and School Leadership Team plan to make the case in late Autumn 2021 to the ESFA to extend the current funding arrangement that recognises Europa is still a growing school.

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

**Strategic report (continued)**

**Achievements and performance (continued)**

In addition to this, the School still relies on voluntary contributions from the parent community to supplement its income in order to continue operating as a going concern, which remains a key financial uncertainty and risk facing the Trust, along with COVID challenges which may reduce the level of voluntary parental support. Following the signing of the Agreement for Lease in early September 2020, the School set up tenancy agreements for members of staff and their families for two of the three properties on site, one starting in January 2021 and the other in August 2021. In addition, the School is close to entering into an agreement with an external provider for the management of bookings and community lettings. From early 2022, these arrangements will generate further income from hiring out site facilities to coincide with the near completion of both capital and maintenance works. This may, however, be impacted by any future restrictions linked to the COVID situation in Winter 2021-22.

For these reasons, the Governing Body 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.

**d. Fundraising**

In 2020-21, the School repeated for the fourth successive year a general fundraising appeal to the whole community of pupils' families with a view to supplementing income received from the ESFA for operational purposes. The appeal continues to be supported by both the Principal and the Governing Body. Although an amount of £1 per day per child was suggested as part of the appeal, all contributions are strictly voluntary and entirely discretionary. The funds raised benefits all children in the School, without prejudice and independently of parents' capacity to contribute and/or fundraise.

Due to the financial impact of the pandemic on many families, the Governing Body and School Leadership Team did not pursue fundraising as actively during lockdowns. Nevertheless, the School carefully launched a new general fundraising appeal to the parents' community in November 2020. The COVID pandemic has undoubtedly impacted the School's finances with some reduced income streams (catering, after-school activities, etc.), partly compensated by some cost savings (photocopying, utilities, etc.). The pandemic has meant that the School needed extra investment in IT and distance learning resources, as well as a very significant increase in cover staff requirements due to government rules on self-isolation.

Fundraising is primarily undertaken by staff and parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising regulator's Code of Fundraising Practice and is monitored by both the Principal and the Governing Body.

The Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities. The general complaints policy of the Trust would be applicable if so.

**Financial review**

**a. Financial review**

The majority of the Trust's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA and other funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.



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

For the year ended 31 August 2021, the Trust's total income (excluding capital grants) was £5,005,521 (2020: £4,740,985), while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £4,956,846 (2020: £4,696,622), resulting in a net surplus for the year of £48,675 (2020: net surplus of £44,363). This surplus has been materially funded by parental fundraising of £113,678 to compensate for the ongoing insufficient GAG funding per pupil and the increased staff related costs incurred during the year. The balance of reserves at 31 August 2021, excluding the restricted fixed asset funds and LGPS liability fund was £494,396 (2020: £445,721).

A number of unplanned elements caused by the ongoing COVID outbreak and January 2021 national lockdown have affected the Trust's financial results for the second consecutive year in 2020-21 and resulting financial position as 31 August 2021. The main ones are significant extra staff costs (cover costs and Summer School in Summer 2021) amounting to £46,000, some additional Personal Protective Equipment and cleaning materials totalling £9,000 and a shortfall of approximately £3,000 on the catering profit during the school closure. On the income side, the School received a COVID Catch-Up premium of £68,564 from the ESFA, as well as supplementary income of £35,660 for the mass-testing programme.

The net liabilities of the School at 31 August 2021 amount to £98,832 representing an increase of £511,399 compared to 31 August 2020. This resulted from a £65,003 loss from the School's operating activities supplemented by parental donations of £113,678, actuarial losses and other pension movements of £521,000 on defined benefit pension schemes and a net decrease of £39,074 of the fixed assets fund being capital grants received less depreciation for the year.

The net book value of fixed assets at 31 August 2021 was £711,450. The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

93% of the income received in the year relates to grants received from the ESFA, mainly the General Annual Grant. These are shown as Restricted Funds in the Statement of Financial Activities. The ratio of GAG funding per pupil was £4,360 (2020: £4,300) for the year. £48,016 of Capital Grants and other capital funding were also received during the year.

Staff costs (excluding FRS102 pension cost charges) of £3,831,370 represent 95.6% of the School's General Annual Grant.

Included within the School's balance sheet at year-end is a defined benefit pension scheme liability of £1,348,000 (2020: £827,000), which arises from the deficit in the Local Government Pension Scheme ('LGPS') that is attributable to the School. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 21 to the financial statements.

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

**b. Reserves policy**

The Governors review the reserves levels of the School 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 School, the uncertainty over future income streams and other key risks identified during the risk review. The Governors have determined that the appropriate level of free cash reserves should be approximately 10% of total incoming resources or 1.3 months of costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as long-term staff absences, urgent maintenance, etc.

The School's current level of funds at 31 August 2021 is £(98,832) (2020: £412,567), of which £494,396 (2020: £445,721) is total income funds (both restricted and unrestricted) and £494,396 (2020: £445,721) is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

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

Although the current level of free reserves are below the target level identified above, the Governors continue to look at and evaluate strategies for raising additional income. Since the autumn term of 2017, and whilst the School remains unable to generate significant income from its site (following the signing of the Agreement for Lease in September 2020) until the pandemic recedes and the capital and maintenance works are completed in 2022, the path chosen by the Governors has been to appeal to parents for voluntary contributions. A third appeal was launched in November 2020 for the 2020-21 academic year by the School Development Manager (part-time role). Fundraising opportunities were severely impacted by the pandemic circumstances and school closure for most of the second term in 2020-21. In addition, the Governors are continuing to carefully review key areas of operational expenditure, particularly curriculum and overhead costs. Until the Lease Agreement is signed and maintenance works are fully completed by the DfE, some site costs are covered by the ESFA. Additional costs associated with the registration for the International Baccalaureate were covered by additional funding (£99K) secured from the ESFA, with the entire grant used up by April 2021. The Governors expect that a significant operating deficit will be generated in 2021-22. However, the deficit is expected to be covered by a combination of existing total income funds brought forward at 1 September 2021, the 2021-22 fundraising appeal to parents, as well as additional income from site lettings from the beginning of 2022. It is expected that there will be continuing pressure on cash flows throughout 2021-22, which will require close monitoring.

The value of the restricted fixed asset fund at 31 August 2022 is £754,772 (2020: £793,846), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, together with any unspent capital grants and funding. These funds can only be realised by disposing of the associated tangible assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £1,348,000 (2020: £827,000), which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that, currently, the Trust is required to make employer pension contributions of 18% in order to fund the deficit. These pension contributions are funded from the Trust's annual recurring income, which impacts its ability to continue to deliver its educational outcomes with the available public funding it receives. The next LGPS valuation is scheduled for 2022, with revised employer contribution rates applicable from 1 April 2023. The Governors have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

**c. Investment policy**

Cash balances enable day to day functions and are invested to optimal effect by the School with the objective of ensuring maximum return on assets invested, but with minimal risk. During the period, the School's surplus cash balances were held in a risk limited, short term bank account with a reputable financial institution.

**d. Principal risks and uncertainties**

The Governors have assessed the major risks to which the Trust is exposed, especially in the operational areas, such as in relation to teaching, health and safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls, in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register.

The Trust's Risk Register and resulting Risk Management Strategy were comprehensively overhauled in 2020-21 and are now live documents, which are constantly reviewed by Governors and the Senior Leadership Team in the light of any new information. Specific Committees review the risks related to their area of governance and risk management is regularly discussed at FGB meetings. Where significant financial risk still remains, the Governors have ensured the Trust has adequate insurance cover in place.

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

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

Governance

The School's Finance Policies and Procedures Manual, which lays out the framework for the School's financial management, including financial responsibilities of the Governing Body, Principal, Director of Finance and Operations, Finance Manager and other staff, as well as the delegated authorities for spending (as reflected in newly-implemented online banking facilities from November 2020), has been updated as per the latest guidance received from ESFA through its Academies Financial Handbook ('AFH'), with an enhanced focus on Internal Controls, Segregation of Duties and Fraud Prevention. These procedures have now been embedded.

Priority has also been given this year to further developing the skillset of the Governing Body, informed by the Governing Body's annual skills audit. Four new governors have been appointed in the year, two of whom have joined the Finance, Audit and General Purposes Committee. The Governing Body has also appointed Associate Governors to contribute to subcommittees both to strengthen the committees now and to contribute to Governing Body succession planning.

The Internal Scrutiny Report for 2020-21 issued by CKCA, the newly-appointed Internal Auditor to the Trust, focused on Governance. The review considered whether there was an adequate framework of controls in place to ensure that the Trust discharges its responsibilities with regard to Governance and accountability. The findings from the review indicate that the Trust remains compliant with the AFH 2020 other than several minor points, which have already been addressed or will be implemented in the first half of 2021-22. The current structure of the Board and membership is considered suitable for the size of the Trust.

Risk Management

The Governors have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the School has adequate mitigation in place, including insurance cover. An on-going risk management process has been established, identifying risks and their potential impact in a newly-created, dynamic Risk Register, divided in sub-sections for dedicated ownership and monitoring by the various Committees of the Governing Body.

Educational

The success of the Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Encouragingly, despite the challenges experienced during the last disrupted year, 83.5 % of parents in the parent survey said their child(ren) were making good progress in their learning; 85.1 % said they would recommend ESUK to another family; and 91.2% said their children enjoyed school. The processes for monitoring pupil progress across the School have been strengthened this year against the background of the evolving curriculum and is one of the Governing Body's priorities for the year. The Governing Body has also overseen the development of an all-through School Language Strategy.

The last year saw the introduction of a new cross-Primary Maths curriculum, which ensures coherent mathematical development across our four stream languages. Similar harmonisation across the Primary School has been achieved in the curriculum for English.

It is important to note that the Primary school has been in a state of constant evolution, growing by one class a year, as each additional Spanish cohort joined it. Finally, 2021 sees the first year when the School is, as it were, complete, with six classes each of French / English, German / English and Spanish / English. This makes the Primary School one of the largest in Oxfordshire. A permanent Deputy Head was appointed to make the Primary SLT more robust, but the need for additional SLT support is anticipated.

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

Since the School is currently over-subscribed in Primary, risks to revenue funding from a falling roll are assessed as small. In Secondary, all year groups from S1 (Year 7) to S4 (Year 10) are also at full or nearly-full capacity. As a legacy issue due to the transfer of students from the European School and earlier uncertainties around Brexit and the European curriculum, S6 (Year 12) and S7 (Years 13) had a significant number of unfilled places in 2020-21. This should be remedied in the coming years with the introduction of the International Baccalaureate programme in S6 and S7, followed by progression through the School of larger cohorts, supported with adequate advertising and marketing activities.

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. The Governors have appointed a Lead Governor for Safeguarding, who has regular discussions with the School Safeguarding Leads. Safeguarding is also a standing item on Governing Body meetings.

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 95% of the Trust's income was ultimately Government funded. Whilst this level is expected to continue in 2021-22 with the funding basis for our growing School on actual pupil numbers rather than the lagged-funding basis, there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms, particularly in the light of continuing changes in the National Funding Formula for schools.

A new application for the extension of the in-year funding basis from 2022-23 will be made to the ESFA in 2021-22, so as to support the Spanish section throughout their Secondary education.

Continuing increases in employment costs, including basic pay, pension costs associated with both the Teachers and the Local Government Pension Schemes and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balanced budgets in the future. Throughout the pandemic, high absence levels have resulted in substantial cover costs, which remain a significant concern in 2021-22.

The Governors examine the financial health of the Trust formally twice per term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance, Audit and General Purposes Committee meetings.

Regarding the funding of significant capital developments, the Department for Education, as landlord, has undertaken to carry out substantial repairs and maintenance as part of a schedule of works to keep the School "safe, dry and warm". These extensive capital and maintenance works started in July 2020 and continued throughout 2020-21. Maintenance works are expected to stretch until the beginning of 2022, with the new modular Primary building scheduled for completion in Autumn 2022. The Agreement for Lease was signed in September 2020 and it is expected that the Lease Agreement will be signed by the Trust upon full completion of the maintenance works programme.

Liquidity

The Governors examine the financial health of the School formally twice per term, reviewing performance against budgets and overall expenditure. At the balance sheet date, the School had no significant liabilities arising from trade creditors or debtors, where there would have a significant effect on the School's liquidity. However, there will be continuing pressure on cash flows throughout 2021-22, which will require close monitoring. Beyond August 2022, the School will be looking to secure further in-year funding, which is crucial to liquidity.

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

Staffing

The success of the School is reliant on the quality of its staff, so Governors monitor and review policies and procedures to ensure continued development and training of staff, as well as ensuring there is clear succession planning. In the recent parents' survey, 83.8% parents said they believed the quality of the teaching staff is very good. All staff embrace ongoing CPD opportunities and Governors have supported improved pay and development pathways for our valued TA workforce.

Pensions Costs

The Governors recognise that the LGPS deficit represents a significant potential liability to the School. However, the Governors consider that the School is able to meet its known annual contribution commitments for the foreseeable future.

Failures in Governance and / or Management

The risk in this area arises from the potential failure to effectively manage the School'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, which includes those relating to fraud and mismanagement of funds.

COVID-19

All operational and financial areas of the School have been significantly impacted by the COVID pandemic, and this has continued to be the case in 2020-21 as detailed in the relevant sections of this Report. A COVID operational Risk Assessment, including the control measures put in place by the School, is published on the ESUK website and constantly updated to reflect the most recent guidelines published by the DoE.

Fraud and Mismanagement of Funds

In 2020-21, the Trust engaged CKCA as external advisers to perform a program of internal scrutiny work as required by the AFH 2020. Cooper Parry remain external auditors for this year. All financial staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

**Plans for the future periods**

The School strives to continually improve levels of attainment for all pupils. Following the opening of the full Secondary School from ages 11-19 when the European School closed in August 2017, the School will continue its expansion to three-form entry throughout the Primary School until 2021-22, with the implication that a new classroom must be refurbished every year. The School also increased class sizes in Reception from 28 to 30 pupils in September 2019 and this increase will filter up the rest of Primary year by year until 2025-26. The School has also increased class sizes to 30 for all Key Stage 2 classes from September 2021.

In Secondary, the School obtained full accreditation for the International Baccalaureate Diploma in April 2020, with the first IB cohort starting in S6 (Year 12) in September 2020. The Trust has decided to implement an IB Middle Years programme in S1-S5 (Years 7-11), so will transition to the curriculum over the next two years in accordance with the transitional arrangement agreed with the European Schools.

Following the signing of the Agreement for Lease and subsequent Lease Agreement, the School intends to maximise income generation from the Culham site. The continuing COVID control measures have continued to impact significantly on the development of the School throughout the academic year 2020-21, particularly fundraising activities and the hiring of site facilities to external organisations. Despite these challenges, the School has, and will continue, to improve the site to create the best possible environment for our pupils to maximise their attainment.

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

**Funds held as custodian on behalf of others**

The School and its Governors do not act as Custodian Trustees of any other charity.

**Disclosure of information to auditor**

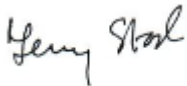
Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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.

**Auditor**

The auditor, Cooper Parry Group Ltd, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 13 December 2021 and signed on its behalf by:



**T Stock**  
Chair of Governors

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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

As Governors, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and Competency Framework for Governance.

The Board of Governors has delegated the day-to-day responsibility to the Principal, 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 ESUK and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year ended 31 August 2021.

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

Governor	Meetings attended	Out of a possible
L Wood	6	6
A Brent	6	6
J Holderness-Laar	6	6
S Purves	6	6
S Kynoch	1	1
L Kan	6	6
R Barter	6	6
S Philippot-Gasc	6	6
T Stock	6	6
S Wright	6	6
B Durkin	5	5
E A Bressan	3	4
K N Loudon	3	3
A Sidbury	1	1

The Director of Finance and Operations also attended all meetings during the year.

The Board of Governors reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Governors has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

The diverse Board of Governors of ESUK contains a variety of skills and expertise, representing all stakeholders and the multicultural, multilingual vision of the School. Under arrangements for Free Schools and Academies in England, ESUK is both a Company registered at Companies House and a Charitable Trust, exempt from the requirement to register with the Charity Commission. The Company is a company limited by guarantee and the three Members (excluding the ex officio Chair of Governors) of the Company contributed a guarantee of £10 each to form the Company. The Chair of the Governing Body becomes a Member ex-officio. The Members have the responsibility of appointing up to seven Members of the Governing Body of the School. The Members meet at least once per year and were chaired by A Parker until his resignation on 17 April 2021 and subsequently by J Holderness-Laar.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

At the end of the academic year 2020-21, there were 13 appointed Governors including the Principal. The parent and staff bodies each elect two Governors. Five (out of a possible seven) Governors are currently appointed by the founding Members. There are also three posts for co-opted Governors appointed by the Governing Body. The Principal is appointed by the Governors.

The Board of Governors has increased in size this academic year with two resignations and four new appointments. All Chairs of the Committees have relevant skills and expertise in their field.

- The Primary and Secondary Education Committees are chaired by founding Member Jackie Holderness-Laar, an Educationalist who has experience of more than 35 years, with a particular interest in international and multilingual education. Jackie was a Lecturer in education at Oxford Brookes University, as well as a former OFSTED Inspector.
- The Premises and Liaison Committee is chaired by Terry Stock (Chair of Governors since October 2021), a retired Chief Executive of the Vale of White Horse District Council and erstwhile Capital Projects Manager. Terry was also a Board Member of Abingdon & Witney College, serving spells as Chair of Finance and of the full Board. He was also Chair of Governors at Kingfisher School in Abingdon, as well as Chair of the Propeller Academy Trust. Terry became a Member of the Abingdon Learning Trust in 2018. The Committee Vice-Chair is Lydia Kan, an Architect. Her professional experience provides valuable expertise at a time of negotiations for the site lease and the maintenance and capital works undertaken on behalf of the DfE. In addition, this Committee benefits from the support of an Associate Member with legal expertise.
- The Chair of the Finance, Audit and General Purposes Committee has been held since 1 September 2019 by Simon Purves, Deputy Chair of Governors and formerly Chair of Governors. Simon brings greatly valued insight into current models of governance, as well as a wealth of experience in ICT.

During the current school year:

- In October 2020, Belinda Durkin was elected Staff Governor. Belinda, a very active Mathematics Coordinator, has been teaching at ESUK in Primary since 2013. She has a wealth of overseas experience and immersion in other cultures, having lived and worked in China, the USA and Japan. Her two children attend ESUK. Belinda is a member of the Finance, Audit and General Purposes Committee.
- Edward Bressan was appointed to the Governing Body by Members in January 2021. Edward is a multilingual Senior Higher Education Leader, specialising in language teaching and academic programme design and delivery. He became Academic Director of Oxford Brookes International and currently fulfils the role of Deputy Academic Registrar within the University of Law's Academic Registry. His teaching and research interests have been in second language pedagogy and language for specific purposes.
- In March 2021, Karin Loudon was invited to join the Governing Body as a Member-appointed Governor. As a founding Member herself, Karin was part of the original group of individuals who opened ESUK as a state-funded school with a multilingual approach, representing European values. Karin's main role on the Governing Body is to ensure greater visibility for the German language and its role in the IB.
- Finally, Adam Sidbury became a co-opted Governor in June 2021 after a period of serving ESUK as an Associate Governor. Adam is a dual French / British national, whose two children attended the European School. With an entrepreneurship background in start-ups, Adam brings much business experience and knowledge to the Finance, Audit and General Purposes Committee.

Further members of the Governing Body in 2020-21 were:

- Lynn Wood has been the Principal and Accounting Officer of Europa School UK since 1 September 2018. She was previously Head of Secondary with ESUK and prior to that with the European School.



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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

- Dr Andrew Brent was Chair of Governors from May 2019 until October 2021. Andrew combines a strong interest in science with a passion for education. Currently Deputy Chief Medical Officer, Consultant Physician and Honorary Senior Clinical Lecturer in Infectious Diseases and Internal Medicine at Oxford University Hospitals and the University of Oxford, he brings a strong commitment to the core values of the School.
- Steve Wright (parent-elected Governor), a member of the Finance, Audit and General Purposes Committee, is a former chartered engineer, with an MBA from London Business School. Post-MBA, Steve moved into programme management in complex change programmes, and then into senior strategy / IT / business change in distressed businesses. He works as a change director, helping senior teams make decisions and develop plans. He brings a breadth of skills and experience to the Governing Body, including strategy, finance, analysis and problem solving.
- Dr Sandrine Philippot-Gasc is an elected Staff Governor. She is a French Geography and History Teacher, who has very strong social skills and as such is an excellent link between students, staff and Governors.
- Robin Barter remained a Co-opted Governor until his resignation in September 2021, bringing much-valued skills in the field of commercial contracts and contract terms negotiations. In addition, Robin had been the Chair of the Fundraising Group (which is separate from the Governing Body) since October 2018.
- Sarah Kynoch was an elected Staff Governor until the end of her second four-year term in October 2021. She is the Deputy Head and SENCO of the Primary School.

A wide pool of voluntarily offered expertise is also available to the Governors, including legal and financial support. The Governors of ESUK are continuously increasing their expertise through a variety of training opportunities.

The key competences of education, finance and regulation are covered by the joint groups of Governors and Members. We are proud to have such a dedicated and skilful team of volunteers spending many hours in the forward planning and governance of ESUK. All new Governors joining have filled in the skills audit form from the National Governors Association, which was a key element in their appointment.

Our vision for the School and seeing how our pupils are thriving gives us the strength to continue that work. We aim to provide a unique learning experience in the UK to both the current and future pupils of ESUK.

**Full Governing Body Skills Audit**

An audit of the skills present within the Governing Body was carried out in October 2020 with twelve responses from Governors, including two Associate Governors. All participants were asked to complete the questionnaire from the National Governors' Association 2020 updated audit. Each question was rated with levels of experience / skills: 1 = none, 5 = extensive.

Overall, the Board has a very good range of skills and the audit has only shown one area for development of an essential skill, which is:

Understanding how the financial efficiency of schools is measured and compared to similar schools. A number of Governors scored 1 and 3, which could be addressed through training.

There were also a number of Governors who have not served as Governors in another school or sector, so their experience would be limited to Europa School UK. This, however, is a desirable skill and not an essential one.

The next audit of skills will be carried out in Autumn 2022.

**Objectives and challenges**

Main objectives and challenges to the Governing Body:

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

1. Aims and Vision: The core objective is to provide an excellent multicultural, multilingual European education enhanced by national requirements. As Governors, we expect the vision of the School to be clearly reflected in the day-to-day running of the School. Governors are aware of the unique nature of ESUK compared to other English schools, even other bilingual Free Schools. The Governors and School Leadership are proud of the widening of the pedagogical with the addition of the Spanish / English stream since September 2015.

2. Curriculum: As a direct consequence of Brexit, the School lost its European School accreditation on 31 August 2021. This has presented a very significant challenge over the last few years, as the School has needed to put in place a new curriculum model and end qualification. After a detailed option appraisal and consultation with the European Schools Board of Governors, the DfE and the School community, we are very proud to have begun the transition to a multi-lingual International Baccalaureate curriculum to replace the European Schools curriculum. A detailed summary of the curriculum plan and transition is available here:  
<https://drive.google.com/file/d/1JKe6CTvf81RDHwjybMvKkcryel8se21H/view>

ESUK was granted IB World School status in April 2020 and started teaching the IB Diploma Programme (S6-S7 or Years 12-13) in September 2020. Preparations have been put in place to start teaching the IB Middle Years programme (S1-S5 or Years 7-11) in September 2021. The IB programme throughout the Secondary years will allow the School to preserve its multi-lingual and multi-cultural ethos.

3. Estate: The maintenance backlog of the current site has continued to be a major challenge over the last academic year. Thankfully, these legacy issues are in an advanced stage of redressal by the DfE who currently control the site, and have made significant progress in line with the agreed schedule of maintenance and capital works. The School signed an Agreement for Lease with the Secretary of State for Housing Communities in September 2020 and is expected to sign the long-term Lease Agreement upon full completion of the maintenance and capital works programmes.

4. Finances: Insufficient funding increases are another major threat, which is being closely monitored by our Finance, Audit and General Purposes Committee. The impact on the overall spending budget for both Curriculum resources and overheads in 2020-21 has remained material across the School. There was increased financial pressure caused by the impact of COVID with additional overheads and a significant reduction in non-grant income. Smaller pupil numbers in Upper Secondary inherited from the previous European School remain a cost pressure. During 2020-21, the Finance, Audit and General Purposes Committee and the Governing Body have overseen and reviewed the preparation of detailed three-and-six-year financial projections. These confirm that, although the next few years remain financially challenging and will require ongoing support from parents through voluntary donations, the business model for the School is relatively solid, with a more financially balanced outlook in the medium-term following graduation of the smaller legacy cohorts. A key priority will be continued funding of the top Spanish stream beyond the current agreement to August 2022.

5. Staff Recruitment and Retention: The need to retain and attract teachers with the right subject and language skills to our School, where they teach under unique conditions, requires sound finances with some flexibility. ESUK is at risk of independent schools offering better paid positions, both within the UK (mainly looking for language expertise) and across the globe (international schools, other European Schools). Our teachers are required to deliver a complex curriculum, which requires more joint planning time and team working than in other schools. This creates a special bond, but also a substantial workload, and the Governing Body remain hugely grateful for the continued hard work and dedication of the teaching staff. Recruitment issues for language teachers from the European Union has been exacerbated since January 2021 following the end of the Brexit Transition Period.

6. Academic Performance: ESUK submits annual attainment data to the Local Authority for inclusion in national databases, as required by the Secretary of State. ESUK's pupils have a good record against these measures. As is the case for other UK schools, the reported data cover only a part of the achievements of pupils. In the case of ESUK, it is important to note that these data take no account of children's attainment in Literacy in German, French and Spanish. For some pupils, this attainment is on a par with, or even exceeds, that achieved in English; and for all pupils, progress in these languages is at a level for which the National Curriculum offers no adequate measure. Increasing use is made of the European Common Framework for progress and assessment in language acquisition. Internal reporting of academic progress to the Governing Body has been reviewed and strengthened during 2020-21, progress on which the Governing Body plans to build in 2021-22.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Finance, Audit and General Purposes Committee is a subcommittee of the main Governing Body. 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 and three-year plan
- The regular monitoring of actual expenditure and income against budget, as well as cash flows
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP (FRS 102) 2015, the Academies Financial Handbook and other guidance issued by the DfE and / or ESFA
- Authorising the award of contracts of, or over, £10,000
- 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 reported to the Full Governing Body.

The key issue dealt with by the Finance, Audit and General Purposes Committee during the year remained the review of the Trust's three-year and six-year financial plans and the actions required to address the reduced funding and impact on the level of reserves expected over these timescales. In addition, the Committee considered in detail the financial aspects of the proposal to increase class sizes to 30 throughout the Primary School from September 2021.

This Committee also acts as the Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. The key issue dealt with by the Audit Committee during the year was the review of the Internal Scrutiny Report on the Trust's Governance received from CKCA and the actions undertaken to address the recommendations included in the report.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
S Purves	5	5
L Wood	5	5
A Brent	5	5
R Barter	4	5
B Durkin	2	2
A Sidbury	1	1
T Stock	5	5
S Wright	5	5

**Review of value for money**

As Accounting Officer, the Principal has responsibility for ensuring that the School delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the School's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the School has delivered improved value for money during the year by:

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

Efficient and Appropriate Use of Resources

The Governing Body has continued to ensure that the school maximizes its income and minimises its costs without compromising its core mission.

A key aspect of this has been to expand class sizes (initially in Lower Primary). Thanks to the continued popularity of the School, it remains over-subscribed with more than two applications for every place in Reception, ensuring that these additional places have been filled. In September 2019, the Reception intake was increased from 84 to 90 pupils, leading to a gradual increase in the size of the Primary School. During 2020-21, the total number of students on the School roll increased to 920 (573 in Primary, 347 in Secondary). The first three-form entry cohort, which started in Reception in 2016, reached Year 5 in 2020-21 and will continue to add an extra class to the continually growing School, until they graduate in July 2029. Plans were also agreed to increase the size of all Primary classes to 30 from September 2021. The effect of the growing intake will increase the size of the School to close to 1,200 pupils by 2028, making much better use of the large site.

Although the School benefits from a large and welcoming site, there has nevertheless been pressure on classroom space due to the addition of a new Spanish class each year. This has been exacerbated in 2020-21 by the ongoing site maintenance and capital works, which have meant parts of the School have not been available for teaching. Our Primary classrooms are used to their full capacity with classes of 28-30 throughout and we have a very high rate of room occupancy in the whole School, with all full-sized classrooms in use throughout the week and smaller spaces in frequent use despite the difficulties of the site layout. Operating at the limit of our capacity, the School is nevertheless responding to both the general demand for school places in Oxfordshire and the specific demand for a multi-lingual, multi-cultural school, by increasing pupil numbers. An essential component of the Estate Plan to support this has been a two-stage replacement programme of eight life-expired temporary classrooms (stage 1 completed, stage 2 to be completed in 2021-22), as well as internal re-structuring of a set of medium classroom spaces to create two large classrooms, generously funded by parental donations.

In the Secondary School, the phasing out of the small SWALs (Students Without A Language section) classes, which was a legacy from the now closed European School, has provided further opportunities to embed additional economies in the education delivery model.

Staff deployment is kept under constant review to ensure the best use of our Teachers, Teaching Assistants and Support Staff. Employment of a largely multilingual staff, including a substantial number with previous experience of European Schools, has ensured quick understanding and high competence in meeting the aims of the School and developing appropriate teaching methods. Directed teacher time prioritises classroom presence, along with individual and joint preparation.

Despite passing from primary only to all-through funding, ESUK school block allocation remains low compared with other Free Schools in the country. The funding is used efficiently to provide an additional 15 hours per year in KS1, 80 hours in KS2, a standard number of hours in KS3 and KS4 and about 50-60% increase in directed teaching hours at KS5, when compared with typical UK schools. This allows in Primary for the effective 50/50 split between learning through English and learning through one of the stream languages (French, German and Spanish) and in Secondary, the successful completion of the broad European (and now International) Baccalaureate. Cost effectiveness has been supported by a very flat management structure and excellent commitment of staff. Although additional management resource has been created this year in the form of Deputy Heads of Primary and Secondary, reflecting the growth of the School, the School Leadership Team remains lean against similar benchmarks.

The transition of the School from its accredited European status to an International Baccalaureate World School has facilitated significant training of staff to teach the IB. It will also reduce the teacher allocation, thus bringing in some savings in teaching staff costs, although it will continue to be a large programme compared to schools offering A- levels. The School should also benefit in due course from funding via the DoE's large programme uplift.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

Educational Results

As detailed above in this report, our educational results demonstrate steady progress throughout the School from somewhat below national levels at entry to well above those levels in Bacalaureate success. These achievements have been supported by the unique curriculum model of the European Schools, the high level of commitment shown by staff and pupils, the cognitive benefits of multilingual education, the strong focus of the Governors and the efficient staffing model that targets academic success and supportive relationships throughout.

The challenge for the School will to be maintain the high academic outcomes for the IB programme, with the first set of results in July 2022.

Governance Arrangements during the COVID-19 Outbreak

Governing Body and subcommittee meetings have continued to be virtual during 2020-21 due to the ongoing COVID pandemic. The Governing Body has overseen and regularly reviewed the School's COVID policy, and is proud that the infection control mitigations put in place have helped maintain well below average levels of SARS-CoV-2 infection among the School community. In between formal Committee meetings, the Chair of Governors has continued to stay in regular contact with both the Principal and fellow Governors, and has provided written updates to the School community.

Financial Oversight

A small administrative Team oversees highly effective financial controls. Monthly reconciliations, prepared by the Finance Manager, are reviewed and signed off by the Director of Finance and Operations. The Governing Body's Finance, Audit and General Purposes Committee has profited from financial expertise among its members. The Committee analyses the monthly management accounts prior to extended meetings five / six times a year, covering accuracy and appropriate use of resources in line with the mission of the School. The outcomes are then reported to the Full Governing Body.

**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 School 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 ESUK for the year from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

Following an audit by Cooper Parry last year, during 2020-21 the Governing Body has carried out an extensive review and update of its Risk Register and refreshed its audit and risk management processes. The Risk Register captures the key risks to which the School is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors oversees the entire Risk Register, but has delegated ownership of individual risks to the relevant Committees, which review these risks each meeting and update the Risk Register as required. The Governing Body has also continued regularly to review the School's COVID Risk Register. The Governing Body is therefore satisfied that there has been, and continues to be, a robust and sustainable process for identifying, evaluating and managing the School's significant risks, throughout the year from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

The School'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 Governors;
- regular reviews by the Finance, Audit 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.

The Board of Governors has decided to employ CKCA Limited as internal auditor.

In 2020-21, the Board of Governors appointed CKCA to perform a detailed internal scrutiny review. This review considers whether there is an adequate framework of controls in place to ensure that the Trust discharges its responsibilities with regard to governance and accountability, including whether:

- The Trust has suitable Governance documents in place, which are in accordance with ESFA requirements and best practice
- The Trust has assessed itself against the Governance Handbook requirements and made suitable disclosures in its published Governance statement
- Governance structure and Scheme of Delegation which are published on the Trust's website
- There is a formal Committee structure in place which operates in line with the formal approved terms of reference
- Formal arrangements are in place regarding Governor meetings, including conduct of meetings, quoracy and minutes
- Minutes are of a suitable quality and show evidence of challenge by Governors
- Policies are in place to ensure that actual or perceived conflicts of interest are suitably monitored
- Processes are in place regarding succession planning, induction and recruitment of Governors and that terms of office are monitored
- Board Members are suitably trained, appraised and kept up to date with latest sector developments
- Information to the Board is sufficiently detailed, transparent and timely and comprehensive
- There is a clear strategy which has been agreed and communicated.

This review found that the Trust remains compliant with the Academies Financial Handbook 2020 apart from some minor points, which have since been addressed or are being addressed in the first half of 2021-22. The current structure of the Board and membership was considered suitable for the size of the Trust and governance in line with best practice. The full report was made available to the Trust's external auditors, Cooper Parry.

**Review of effectiveness**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2021, the review has been informed by:

- the work of the internal scrutiny review by CKCA;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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**GOVERNANCE STATEMENT (CONTINUED)**

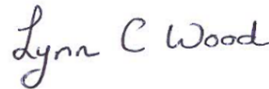
**Review of effectiveness (continued)**

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

Approved by order of the members of the Board of Governors on 13 December 2021 and signed on their behalf by:



**T Stock**  
Chair of Governors



**L Wood**  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the School Board of Governors are able to identify any material irregular or improper use of all funds by the School, or material non-compliance with the terms and conditions of funding under the School'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 Governors and ESFA.

*Lynn C Wood*

**L Wood**  
Accounting Officer

Date: 13 December 2021



**EUROPA SCHOOL UK**  
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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

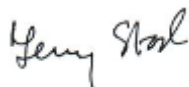
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

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 Board of Governors on 13 December 2021 and signed on its behalf by:



**T Stock**  
Chair of Governors

**EUROPA SCHOOL UK**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EUROPA SCHOOL UK**

**Opinion**

We have audited the financial statements of Europa School UK (the 'school') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

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

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EUROPA SCHOOL UK (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EUROPA SCHOOL UK (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements**

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

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

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

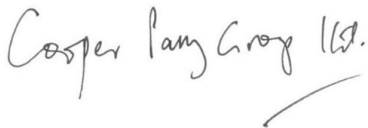
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EUROPA SCHOOL UK (CONTINUED)**

**Use of our report**

This report is made solely to the charitable School'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 charitable School'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 charitable School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Atkins FCA (Senior Statutory Auditor)**

for and on behalf of

**Cooper Parry Group Ltd**

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

17 December 2021

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Europa School UK during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EUROPA  
SCHOOL UK AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
**Cooper Parry Group Ltd**  
Chartered Accountants  
Statutory Auditor  
Park View  
One Central Boulevard  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8BG

Date: 17 December 2021

**EUROPA SCHOOL UK**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	3	115,279	3,297	59,616	178,192	191,435
Charitable activities	5	168,909	4,717,978	-	4,886,887	4,574,163
Investments	4	58	-	-	58	282
<b>Total income</b>		<b>284,246</b>	<b>4,721,275</b>	<b>59,616</b>	<b>5,065,137</b>	<b>4,765,880</b>
<b>Expenditure on:</b>						
Charitable activities	6	142,891	5,047,955	98,690	5,289,536	5,025,128
<b>Total expenditure</b>		<b>142,891</b>	<b>5,047,955</b>	<b>98,690</b>	<b>5,289,536</b>	<b>5,025,128</b>
<b>Net income/(expenditure)</b>		<b>141,355</b>	<b>(326,680)</b>	<b>(39,074)</b>	<b>(224,399)</b>	<b>(259,248)</b>
Transfers between funds	15	(92,680)	92,680	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>48,675</b>	<b>(234,000)</b>	<b>(39,074)</b>	<b>(224,399)</b>	<b>(259,248)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(287,000)	-	(287,000)	83,000
<b>Net movement in funds</b>		<b>48,675</b>	<b>(521,000)</b>	<b>(39,074)</b>	<b>(511,399)</b>	<b>(176,248)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	445,721	(827,000)	793,846	412,567	588,815
Net movement in funds		48,675	(521,000)	(39,074)	(511,399)	(176,248)
<b>Total funds carried forward</b>	15	<b>494,396</b>	<b>(1,348,000)</b>	<b>754,772</b>	<b>(98,832)</b>	<b>412,567</b>

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

The notes on pages 41 to 61 form part of these financial statements.

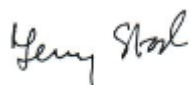


**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07649335**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	<b>711,450</b>	754,885
<b>Current assets</b>			
Debtors	13	<b>89,030</b>	98,559
Cash at bank and in hand		<b>882,652</b>	813,867
		<u><b>971,682</b></u>	<u>912,426</u>
Creditors: amounts falling due within one year	14	<b>(433,964)</b>	(427,744)
<b>Net current assets</b>		<b>537,718</b>	484,682
<b>Net assets excluding pension liability</b>		<u><b>1,249,168</b></u>	<u>1,239,567</u>
Defined benefit pension scheme liability	21	<b>(1,348,000)</b>	(827,000)
<b>Total net assets</b>		<u><u><b>(98,832)</b></u></u>	<u><u>412,567</u></u>
 <b>Funds of the School</b>			
<b>Restricted funds:</b>			
Fixed asset funds	15	<b>754,772</b>	793,846
Pension reserve	15	<b>(1,348,000)</b>	(827,000)
<b>Total restricted funds</b>	15	<b>(593,228)</b>	(33,154)
<b>Unrestricted income funds</b>	15	<b>494,396</b>	445,721
<b>Total funds</b>		<u><u><b>(98,832)</b></u></u>	<u><u>412,567</u></u>

The financial statements on pages 38 to 61 were approved by the Governors, and authorised for issue on 13 December 2021 and are signed on their behalf, by:



**T Stock**  
Chair of Trustees

The notes on pages 41 to 61 form part of these financial statements.

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Note</b>	<b>2021</b> £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<b>64,365</b>	150,067
<b>Cash flows from investing activities</b>			
Cash flows from investing activities	18	<b>4,420</b>	(28,534)
<b>Cash flows from financing activities</b>			
Cash flows from financing activities		-	-
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>68,785</b>	121,533
Cash and cash equivalents at the beginning of the year		<b>813,867</b>	692,334
<b>Cash and cash equivalents at the end of the year</b>	19, 20	<b>882,652</b>	813,867
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 41 to 61 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 2021**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SOP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 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 School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

Following notification from the ESFA in Autumn 2019, the School currently receives funding basis to actual pupil numbers. This recognises the addition of the third (Spanish) stream, since the alternative funding model based on the previous year's census would effectively mean the top Spanish stream is not funded. This arrangement has been agreed for three academic years from 2019 to 2022, following which the current default is a return to funding based on the previous year's census. As a return to funding based on the previous year's census would mean the top Spanish stream would once again not be funded until they complete their schooling in August 2029, creating a significant cost pressure for the School, the Governing Body and School Leadership Team plan to make the case in late Autumn 2021 to the ESFA to extend the current funding arrangement that recognises Europa is still a growing school.

In addition to this, the School still relies on voluntary contributions from the parent community to supplement its income in order to continue operating as a going concern, which remains a key financial uncertainty and risk facing the Trust, along with COVID challenges which may reduce the level of voluntary parental support. Following the signing of the Agreement for Lease in early September 2020, the School set up tenancy agreements for members of staff and their families for two of the three properties on site, one starting in January 2021 and the other in August 2021. In addition, the School is close to entering into an agreement with an external provider for the management of bookings and community lettings. From early 2022, these arrangements will generate further income from hiring out site facilities to coincide with the near completion of both capital and maintenance works. This may, however, be impacted by any future restrictions linked to the COVID situation in Winter 2021-22.

As such, after making appropriate enquiries, the Board of Governors therefore has a reasonable expectation that the School has sufficient resources to continue in operational existence for the foreseeable future. For this reason, the Board of Governors continues to adopt the going concern basis in preparing the financial statements.

**1.3 Fund accounting**

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

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

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Fund accounting (continued)**

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

**1.4 Income**

All incoming resources are recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the School has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the School, can be reliably measured.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the School has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the School)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's accounting policies.

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.5 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Interest receivable**

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

**1.7 Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line
Computer equipment	- 25% straight line
Fixtures and fittings	- 15% straight line
Improvements to property	- 50% straight line

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 incorporating Income and Expenditure Account.

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Since 1 September 2017, the School had been occupying the School site under a series of temporary Licences to Occupy Agreements between the Secretary of State for Housing Communities and Local Government and Europa School UK. Following the expiry of the previous Licence on 31 March 2018, the School occupied the site without a Licence, until the last Licence to Occupy was signed on 22 January 2020. This Licence expired on 4 September 2020, being the commencement date of the Agreement for Lease between the Secretary of State for Housing Communities and Local Government and Europa School UK. The Agreement for Lease will remain in place until the ongoing programme of capital and maintenance works funded by the ESFA is fully completed, at which point the Agreement for Lease will cease and a 125-year Lease Agreement will be entered into by the Academy Trust. As such, no value for the land and buildings of the whole School site has therefore been reflected in the financial statements, other than the value of buildings work and improvements undertaken on the site up to 31 August 2021, which is all included at cost.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

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

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

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

**EUROPA SCHOOL UK**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.12 Taxation**

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 Agency arrangements**

The School acts as agent in distributing bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the School does not have control over the charitable application of the funds. The funds received and any balances held are recognised in note 24.

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

**EUROPA SCHOOL UK**  
(A Company Limited by Guarantee)

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

**2. Critical accounting estimates and areas of judgement (continued)**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	115,279	3,297	11,600	<b>130,176</b>	166,540
Capital Grants	-	-	48,016	<b>48,016</b>	24,895
<b>Total 2021</b>	<u>115,279</u>	<u>3,297</u>	<u>59,616</u>	<u><b>178,192</b></u>	<u>191,435</u>
Total 2020	<u>149,761</u>	<u>16,779</u>	<u>24,895</u>	<u>191,435</u>	

**4. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Short term deposits	58	<b>58</b>	282
<b>Total 2021</b>	<u>58</u>	<u><b>58</b></u>	<u>282</u>
Total 2020	<u>282</u>	<u>282</u>	



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**5. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	4,010,707	<b>4,010,707</b>	3,869,780
Other DfE/ESFA grants:				
Other DfE/ESFA Group grants	-	179,760	<b>179,760</b>	63,297
Pupil Premium	-	42,694	<b>42,694</b>	37,322
UiFSM	-	113,474	<b>113,474</b>	110,507
Teachers Pension grant	-	145,063	<b>145,063</b>	139,726
Teachers Pay grant	-	50,852	<b>50,852</b>	48,966
	-	4,542,550	<b>4,542,550</b>	4,269,598
<b>Other Government grants</b>				
Local Authority grants	-	18,280	<b>18,280</b>	18,813
	-	18,280	<b>18,280</b>	18,813
<b>Other income from educational operations</b>	168,909	50,605	<b>219,514</b>	285,752
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	68,654	<b>68,654</b>	-
	-	68,654	<b>68,654</b>	-
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme	-	2,229	<b>2,229</b>	-
COVID Mass Testing grants	-	35,660	<b>35,660</b>	-
	-	37,889	<b>37,889</b>	-
	168,909	4,717,978	<b>4,886,887</b>	4,574,163
Total 2020	246,165	4,327,998	4,574,163	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the school's funding for various grants previously aggregated together as Other DfE/ESFA grants are now reported as separate grants under the heading of Other DfE/ESFA grants above. The prior year comparatives have been reclassified accordingly.

The School received £68,654 of funding for COVID catch-up premium and costs incurred in respect of this funding totalled £66,986, with the remaining balance of £1,668 included in deferred income to be expended during the year ending 31 August 2022.

The School furloughed some of its after school and catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £2,229 (2020 - £Nil) relates to staff costs in respect of the staff furloughed which are included within staff costs in note 6 and 9 below.

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**6. Expenditure**

	<b>Staff Costs 2021 £</b>	<b>Premises 2021 £</b>	<b>Other 2021 £</b>	<b>Total 2021 £</b>	Total 2020 £
Educational operations:					
Direct costs	2,732,858	-	223,350	<b>2,956,208</b>	2,763,267
Support costs	1,316,512	551,720	465,096	<b>2,333,328</b>	2,261,861
<b>Total 2021</b>	<u>4,049,370</u>	<u>551,720</u>	<u>688,446</u>	<u><b>5,289,536</b></u>	<u>5,025,128</u>
Total 2020	<u>3,786,234</u>	<u>550,169</u>	<u>688,725</u>	<u>5,025,128</u>	

Of the total expenditure of £5,289,536 (2020: £5,025,128), £142,891 (2020: £157,142) was allocated to unrestricted funds, £5,047,955 (2020: £4,763,480) was allocated to restricted funds and £98,690 (2020: £104,506) was allocated to restricted fixed asset funds.

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Educational operations	<u>2,956,208</u>	<u>2,333,328</u>	<u><b>5,289,536</b></u>	<u>5,025,128</u>
Total 2020	<u>2,763,267</u>	<u>2,261,861</u>	<u>5,025,128</u>	

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**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2021 £</b>	Total funds 2020 £
LGPS FRS102 net pension interest cost	<b>16,000</b>	15,000
Staff costs	<b>1,316,512</b>	1,251,492
Depreciation	<b>98,690</b>	104,506
Technology costs	<b>25,145</b>	27,309
Insurance	<b>19,215</b>	18,396
Catering	<b>86,362</b>	70,466
Bank interest and charges	<b>334</b>	20
Other support costs	<b>737,348</b>	739,732
Professional and governance fees	<b>28,177</b>	27,949
Legal fees	<b>5,545</b>	6,991
	<b><u>2,333,328</u></b>	<u>2,261,861</u>

**8. Net expenditure**

Net expenditure for the year includes:

	<b>2021 £</b>	2020 £
Depreciation of tangible fixed assets	<b>98,690</b>	104,505
Fees paid to auditor for:		
- audit	<b>6,800</b>	6,800
- other services	<b>7,900</b>	7,900
	<b><u>7,900</u></b>	<u>7,900</u>

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**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	2020
	£	£
Wages and salaries	<b>2,930,869</b>	2,738,065
Social security costs	<b>255,884</b>	230,079
Pension costs	<b>844,208</b>	792,774
	<u><b>4,030,961</b></u>	<u>3,760,918</u>
Agency staff costs	<b>18,409</b>	25,316
	<u><b>4,049,370</b></u>	<u>3,786,234</u>

**b. Staff numbers**

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

	<b>2021</b>	2020
	No.	No.
Management	<b>7</b>	5
Teachers	<b>74</b>	74
Support	<b>55</b>	52
	<u><b>136</b></u>	<u>131</u>

**c. Higher paid staff**

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

	<b>2021</b>	2020
	No.	No.
In the band £60,001 - £70,000	<b>-</b>	2
In the band £70,001 - £80,000	<b>2</b>	-
In the band £80,001 - £90,000	<b>1</b>	1
	<u><b>1</b></u>	<u>3</u>

**d. Key management personnel**

The key management personnel of the School comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the School was £560,804 (2020 £412,088).

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**10. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the School. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021	2020
		£	£
L Wood	Remuneration	<b>85,000 - 90,000</b>	85,000 - 90,000
	Pension contributions paid	<b>20,000 - 25,000</b>	20,000 - 25,000
S Kynoch	Remuneration	<b>5,000 - 10,000</b>	45,000 - 50,000
	Pension contributions paid	<b>0 - 5,000</b>	5,000 - 10,000
S Philppot-Gasc	Remuneration	<b>40,000 - 45,000</b>	40,000 - 45,000
	Pension contributions paid	<b>5,000 - 10,000</b>	5,000 - 10,000
B Durkin	Remuneration	<b>20,000 - 25,000</b>	-
	Pension contributions paid	<b>0 - 5,000</b>	-

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

**11. Governors' and Officers' insurance**

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 academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

**12. Tangible fixed assets**

	Leasehold property £	Furniture and fittings £	Motor vehicles £	Computer equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	734,374	190,822	1,367	462,138	55,113	1,443,814
Additions	8,140	14,735	-	32,379	-	55,254
At 31 August 2021	<u>742,514</u>	<u>205,557</u>	<u>1,367</u>	<u>494,517</u>	<u>55,113</u>	<u>1,499,068</u>
<b>Depreciation</b>						
At 1 September 2020	125,280	121,082	1,367	410,910	30,290	688,929
Charge for the year	22,644	21,656	-	47,242	7,147	98,689
At 31 August 2021	<u>147,924</u>	<u>142,738</u>	<u>1,367</u>	<u>458,152</u>	<u>37,437</u>	<u>787,618</u>
<b>Net book value</b>						
At 31 August 2021	<u>594,590</u>	<u>62,819</u>	<u>-</u>	<u>36,365</u>	<u>17,676</u>	<u>711,450</u>
At 31 August 2020	<u>609,094</u>	<u>69,740</u>	<u>-</u>	<u>51,228</u>	<u>24,823</u>	<u>754,885</u>

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**12. Tangible fixed assets (continued)**

Since 1 September 2017, the School had been occupying the School site under a series of temporary Licences to Occupy Agreements between the Secretary of State for Housing Communities and Local Government and Europa School UK. Following the expiry of the previous Licence on 31 March 2018, the School occupied the site without a Licence, until the last Licence to Occupy was signed on 22 January 2020. This Licence expired on 4 September 2020, being the commencement date of the Agreement for Lease between the Secretary of State for Housing Communities and Local Government and Europa School UK. The Agreement for Lease will remain in place until the ongoing programme of capital and maintenance works funded by the ESFA is fully completed, at which point the Agreement for Lease will cease and a 125-year Lease Agreement will be entered into by the Academy Trust. As such, no value for the land and buildings of the whole School site has therefore been reflected in the financial statements, other than the cost of buildings work and improvements undertaken on the site up to 31 August 2021.

**13. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Other debtors	22,450	16,293
Prepayments and accrued income	66,580	82,266
	89,030	98,559
	89,030	98,559

**14. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	150,925	76,055
Other taxation and social security	60,036	55,201
Other creditors	43,891	64,318
Accruals and deferred income	179,112	232,170
	433,964	427,744
	433,964	427,744
	2021 £	2020 £
Deferred income at 1 September 2020	63,486	65,160
Resources deferred during the year	77,291	63,486
Amounts released from previous periods	(63,486)	(65,160)
	77,291	63,486
	77,291	63,486

Included within deferred income are Universal Infant Free School Meals grants and other funds received for educational activities all of which will be utilised in the year ending 31 August 2022.

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**15. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General Funds - all funds	445,721	284,246	(142,891)	(92,680)	-	494,396
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,010,707	(4,103,387)	92,680	-	-
Pupil Premium	-	42,694	(42,694)	-	-	-
UIFSM	-	113,474	(113,474)	-	-	-
Teacher Pay grants	-	50,852	(50,852)	-	-	-
Teacher Pension grants	-	145,063	(145,063)	-	-	-
Other DfE/ESFA Group grants	-	179,760	(179,760)	-	-	-
Local Authority grants	-	18,280	(18,280)	-	-	-
COVID Catch-up premium	-	68,654	(68,654)	-	-	-
Other COVID related funding	-	37,889	(37,889)	-	-	-
Other income	-	53,902	(53,902)	-	-	-
Pension reserve	(827,000)	-	(234,000)	-	(287,000)	(1,348,000)
	(827,000)	4,721,275	(5,047,955)	92,680	(287,000)	(1,348,000)
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	754,885	11,600	(98,690)	43,655	-	711,450
Capital grants and funding	38,961	48,016	-	(43,655)	-	43,322
	793,846	59,616	(98,690)	-	-	754,772
<b>Total Restricted funds</b>	(33,154)	4,780,891	(5,146,645)	92,680	(287,000)	(593,228)

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**15. Statement of funds (continued)**

<b>Total funds</b>	<b>412,567</b>	<b>5,065,137</b>	<b>(5,289,536)</b>	<b>-</b>	<b>(287,000)</b>	<b>(98,832)</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

All DfE/ESFA grants, which includes Pupil Premium, Universal Infant Free School Meal grants, Teacher Pay grants and Teachers' Pension grants), all Local Authority funding, all COVID Catch-up Premium, Other COVID related funding and all other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.



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**15. Statement of funds (continued)**

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

	Balance at 19 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General funds	398,654	396,208	(157,142)	(191,999)	-	445,721
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	3,869,780	(4,061,779)	191,999	-	-
Pupil Premium	-	37,322	(37,322)	-	-	-
UIFSM	-	110,507	(110,507)	-	-	-
Teacher Pay grants	-	48,966	(48,966)	-	-	-
Teacher Pension grants	-	139,726	(139,726)	-	-	-
Other DfE/ESFA Group grants	-	63,297	(63,297)	-	-	-
Local Authority grants	-	18,813	(18,813)	-	-	-
Other income	2,704	56,366	(59,070)	-	-	-
Pension reserve	(686,000)	-	(224,000)	-	83,000	(827,000)
	<u>(683,296)</u>	<u>4,344,777</u>	<u>(4,763,480)</u>	<u>191,999</u>	<u>83,000</u>	<u>(827,000)</u>
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	805,679	-	(104,506)	53,712	-	754,885
Capital grants and funding	67,778	24,895	-	(53,712)	-	38,961
	<u>873,457</u>	<u>24,895</u>	<u>(104,506)</u>	<u>-</u>	<u>-</u>	<u>793,846</u>
<b>Total Restricted funds</b>	<u>190,161</u>	<u>4,369,672</u>	<u>(4,867,986)</u>	<u>191,999</u>	<u>83,000</u>	<u>(33,154)</u>
<b>Total funds</b>	<u><u>588,815</u></u>	<u><u>4,765,880</u></u>	<u><u>(5,025,128)</u></u>	<u><u>-</u></u>	<u><u>83,000</u></u>	<u><u>412,567</u></u>

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**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	711,450	<b>711,450</b>
Current assets	494,395	433,964	43,322	<b>971,681</b>
Creditors due within one year	-	(433,964)	-	<b>(433,964)</b>
Provisions for liabilities and charges	-	(1,348,000)	-	<b>(1,348,000)</b>
Other - rounding	1	-	-	<b>(1)</b>
<b>Total</b>	<u>494,396</u>	<u>(1,348,000)</u>	<u>754,772</u>	<u><b>(98,832)</b></u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	754,885	754,885
Current assets	445,721	427,744	38,961	912,426
Creditors due within one year	-	(427,744)	-	(427,744)
Provisions for liabilities and charges	-	(827,000)	-	(827,000)
<b>Total</b>	<u>445,721</u>	<u>(827,000)</u>	<u>793,846</u>	<u>412,567</u>

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**17. Reconciliation of net expenditure to net cash flow from operating activities**

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(224,399)</b>	(259,248)
<b>Adjustments for:</b>		
Depreciation	<b>98,690</b>	104,505
Capital grants from DfE and other capital income	<b>(59,616)</b>	(24,895)
Dividends, interest and rents from investments	<b>(58)</b>	(282)
Defined benefit pension scheme cost less contributions payable	<b>218,000</b>	209,000
Defined benefit pension scheme finance cost	<b>16,000</b>	15,000
Decrease in debtors	<b>9,528</b>	13,741
Increase in creditors	<b>6,220</b>	92,246
<b>Net cash provided by operating activities</b>	<b>64,365</b>	150,067

**18. Cash flows from investing activities**

	2021 £	2020 £
Dividends, interest and rents from investments	<b>58</b>	282
Purchase of tangible fixed assets	<b>(55,254)</b>	(53,711)
Capital grants from DfE Group	<b>59,616</b>	24,895
<b>Net cash provided by/(used in) investing activities</b>	<b>4,420</b>	(28,534)

**19. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	<b>882,652</b>	813,867
<b>Total cash and cash equivalents</b>	<b>882,652</b>	813,867

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**20. Analysis of changes in net debt**

	<b>At 1 September 2020 £</b>	<b>Cash flows £</b>	<b>At 31 August 2021 £</b>
Cash at bank and in hand	813,867	68,785	882,652
	813,867	68,785	882,652

**21. Pension commitments**

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Oxfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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FOR THE YEAR ENDED 31 AUGUST 2021**

**21. Pension commitments (continued)**

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £492,183 (2020 - £435,413).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £181,000 (2020 - £172,000), of which employer's contributions totalled £134,000 (2020 - £129,000) and employees' contributions totalled £ 47,000 (2020 - £43,000). The agreed contribution rates for future years are 19.3% for employers and 5.5% to 12.5% for employees.

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

**Principal actuarial assumptions**

	<b>2021</b>	2020
	%	%
Rate of increase in salaries	<b>2.90</b>	2.20
Rate of increase for pensions in payment/inflation	<b>2.90</b>	2.20
Discount rate for scheme liabilities	<b>1.65</b>	1.70

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

	<b>2021</b>	2020
	Years	Years
Retiring today		
Males	<b>22.4</b>	22.2
Females	<b>24.7</b>	24.3
Retiring in 20 years		
Males	<b>23.4</b>	22.9
Females	<b>26.3</b>	25.6

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

**21. Pension commitments (continued)**

**Sensitivity analysis**

Increase in the reported value of defined benefit obligations:

	<b>2021</b>	2020
	<b>£000</b>	£000
Discount rate -0.5%	<b>325</b>	224
CPI rate +0.5%	<b>315</b>	215
	<u><u>          </u></u>	<u><u>          </u></u>

**Share of scheme assets**

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

	<b>2021</b>	2020
	<b>£</b>	£
Equities	<b>782,920</b>	506,100
Gilts	<b>179,860</b>	144,600
Property	<b>74,060</b>	43,380
Cash and other liquid assets	<b>21,160</b>	28,920
	<u><u>          </u></u>	<u><u>          </u></u>
<b>Total market value of assets</b>	<b>1,058,000</b>	723,000

The actual return on scheme assets was £156,000 (2020 - £(31,000)).

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

	<b>2021</b>	2020
	<b>£</b>	£
Current service cost	<b>(352,000)</b>	(338,000)
Interest income	<b>14,000</b>	13,000
Interest cost	<b>(30,000)</b>	(28,000)
	<u><u>          </u></u>	<u><u>          </u></u>
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(368,000)</b>	(353,000)

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

	<b>2021</b>	2020
	<b>£</b>	£
<b>At 1 September</b>	<b>1,550,000</b>	1,272,000
Current service cost	<b>352,000</b>	338,000
Interest cost	<b>30,000</b>	28,000
Employee contributions	<b>47,000</b>	43,000
Actuarial losses/(gains)	<b>429,000</b>	(127,000)
Benefits paid	<b>(2,000)</b>	(4,000)
	<u><u>          </u></u>	<u><u>          </u></u>
<b>At 31 August</b>	<b>2,406,000</b>	1,550,000

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

**21. Pension commitments (continued)**

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

	2021 £	2020 £
<b>At 1 September</b>	<b>723,000</b>	586,000
Interest income	<b>14,000</b>	13,000
Actuarial gains/(losses)	<b>142,000</b>	(44,000)
Employer contributions	<b>134,000</b>	129,000
Employee contributions	<b>47,000</b>	43,000
Benefits paid	<b>(2,000)</b>	(4,000)
<b>At 31 August</b>	<b>1,058,000</b>	723,000

**22. Members' liability**

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

**23. Related party transactions**

Owing to the nature of the School and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the School's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the current and previous year:

J Marechau, the spouse of P Marechau, the Head of Primary and a member of the key management personnel of the School, is employed as a teacher by the School. J Marechau's appointment was made in open competition and P Marechau was not involved in the decision making process regarding the appointment. J Marechau is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the key management of personnel of the School.

R Greenwood, the spouse of M-C Greenwood, the Director of Finance and Operations and a member of the key management personnel of the School, is employed as a teacher by the School. R Greenwood's appointment was made in open competition and M-C Greenwood was not involved in the decision making process regarding the appointment. R Greenwood is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the key management of personnel of the School.

**24. Agency arrangements**

The School distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2021, the School received £6,536 (2020: £8,475) and distributed £6,536 (2020: £8,475). No amounts are held at year end as undistributed funds that are repayable to the ESFA (2020: £Nil).