
EUROPA SCHOOL UK
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

A Parker, Chair
P Adams
C Della Croce
J Holderness
K Loudon
A Shorrocks
J Weber

Governors

P Ashbourne, Principal and Accounting Officer (appointed 26 March 2012)¹
J Holderness-Laar
K Loudon
A Parker, Chair of Governors (to 3 October 2013)¹
C Della Croce¹
A Shorrocks
J Weber, Chair of Governors (from 3 October 2013)¹
P Adams (resigned 3 October 2013)
B Yue, Vice-Chair and Chair of Finance¹
S Purves
S Kynoch
D Hickman¹
C Spence (appointed 5 February 2014)¹
P Smith (appointed 4 December 2013)
J Spiro (appointed 10 April 2014)

¹ Finance and General Purposes Committee

Company registered number

07649335

Principal and registered office

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

Company secretary

Oxfordshire Governor Services Clerks

Chief executive officer

P Ashbourne

Senior management team

P Ashbourne, Principal
P Marechau, Head of Primary, SENCO
S Kynoch, Early Years and Learning Support Coordinator
N Tanner, Finance and Administration Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
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Administrative details (continued)

Independent auditors

Critchleys LLP, Greyfriars Court, Paradise Square, Oxford, OX1 1BE

Bankers

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

Solicitors

Freeths LLP, Power House, Harrison Close, Knowlhill, Milton Keynes, MK5 8PA

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the audited financial statements of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a governors' report and a directors' report under Company law

The principal activities of the Company are establishing and operating a school serving an area centred on Abingdon and Oxford. The School offers a broad and balanced curriculum and specialises in Modern European Languages and Sciences. The School will grow to reach a full Primary cohort in September 2016 and is destined to be all-through (4 to 19 years old) from September 2017.

Structure, Governance and Management

CONSTITUTION

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

The 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.

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

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

MEMBERS' LIABILITY

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

GOVERNORS' INDEMNITIES

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

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

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

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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 4 year period, except that this time limit does not apply to the Principal.

When appointing new Governors by co-optation, the Governing body will give consideration to the skills and experience mix of existing Governors in order to ensure the Governing body has the necessary skills to contribute fully to the School's development.

POLICIES AND PROCEDURES 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 via GEL (<http://www.elc-gel.org>). Most governors have attended one or more courses from induction to specialist modules as well as external educational conferences. In house training has also been organised for Safeguarding Children, first aid and OFSTED preparation. Further online training options are finally available through the School's subscriptions to Ten Governors and The Key.

ORGANISATIONAL STRUCTURE

The Governing body oversees the management, approves strategy and policies and monitors performance.

The Governing body normally meets 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. It may also from time to time establish working groups to perform specific tasks.

The Governing body has established the following committees:

- o Premises and Liaison
- o Finance and General Purposes
- o Education – Curriculum, Standards, Teaching and Learning

The Principal is responsible for the day-to-day management of the School and also acts as the Accounting Officer.

The Principal is supported by a Head of Primary and a Finance and Administration Manager.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no related parties that either controlled or significantly influenced the decisions and operations of the School during the period. The School does however share a site and certain site-related costs with the European School, Culham.

Objectives and Activities

OBJECTS AND AIMS

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

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 pupils for the unique and desirable European Baccalaureate.
- Teaching staff adopt a plurilingual approach, with their own linguistic competence providing a model for pupils. They are completely fluent in the language through which they teach and maintain an immersion approach to language acquisition.

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

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

The key priorities for the year are contained in the School's Development Plan.

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.

PUBLIC BENEFIT

The Governors have complied with the requirement of section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the School.

The School meets a demand from families living in the area for a school offering a multi-lingual education.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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

Strategic Report

Achievements and Performance

REVIEW OF ACTIVITIES

The main activities of Europa School UK for the year ended 31 August 2014 were as follows:

The School added a full new Reception intake in September 2013 giving four year groups of 56 pupils each, 224 in total. Demand for Reception was high, exceeding two applications for every place. Turnover has been low (about 3%) and any places that become available were quickly filled, with at least 15 children on the continued interest list for each year group.

In June, 2014 the School was inspected simultaneously by OFSTED and by the European Schools (ES). The OFSTED report rated the School as "good" in all areas, with any positive comments, particularly on the quality of bi-lingual learning. The ES inspectors report is not yet available, but their feedback has already enabled the Secretary General of the European Schools to confirm that the Europa School UK will be accredited by the European Schools' Board of Governors, with the formal approval to be given in December 2014.

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

Roughly half our intake has English as an additional language, (the Oxfordshire county figure is 14%), and all pupils are learning in English for half the week. The national measures of literacy must be seen in this light, but the School has shown strong performance over time.

Our Early Years Profile measures were lower than those of Oxfordshire in Personal, Social and Emotional Development and Literacy, while higher in Understanding the World and Expressive Arts, and typical in the remaining areas. Pupils' difficulty with early stages of writing has had an impact on the percentage attaining GLD, 51% compared with 60% in the LA, but the average point score remains very close to national and local norms.

The Phonics Check for Year 1 was much improved on last year and close to the county norm, as were the final results for Year 2.

KS1 assessments show a strong performance in Mathematics, with both low-achieving and high-achieving pupils scoring better than the county and national norms. Low achievers' writing levels were typical of the county, but there were substantially more in this group for Reading than is typical in the county. For high achievers, the Reading results were typical but the writing was below county levels.

Our Year 3 pupils made much better than average progress in writing at all levels, as confirmed through moderation and inspection.

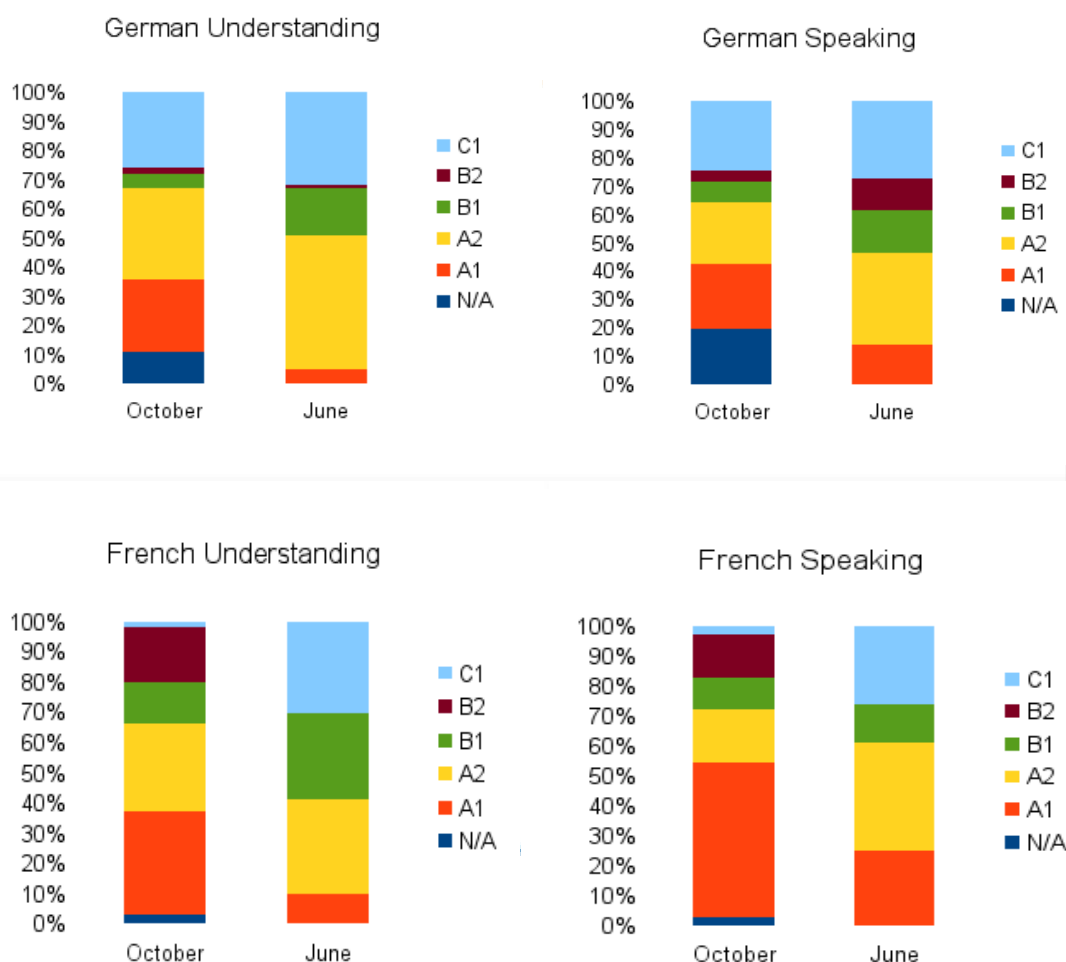
We have a county-typical level of pupils with statements of special needs. Other SEN categories are below the norm, but the progress shown by these pupils is excellent, more than keeping pace with their peers.

The graphs below represent the progress of pupils across the whole school in French and German against

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

CEFR criteria over 2013-14. The CEFR provides a measure of progress for language learners originally designed for adults, and here adapted for pupils of our school age. Once a learner has engaged with the language, the levels go from A1 (beginner), through A2, B1, B2, C1, to C2 (native speaker). The C2 level depends on a maturity not appropriate for Primary pupils, so we use C1 to indicate that a child is at the level expected of a native speaker.

As can be seen in the charts, the most significant progress is the number of pupils moving out of A1 into A2 or even B1.



GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

KEY FINANCIAL PERFORMANCE INDICATORS

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

Staffing costs are monitored as a percentage of total income (General Annual grant and Start Up Grant). For the period ended 31 August 2014, staffing costs amounted to 82% of the school GAG and start up grant.

For the period ended 31 August 2014, the operating surplus before depreciation and actuarial gains and losses was £99,546 (8.5% of its incoming resources).

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

- Monitoring pupils' performance:

- The School has introduced its own assessment and reporting systems and plans to continue to refine these, taking account of the requirements for Associated European Schools and those laid down by the Department for Education (DfE). Pupil progress is assessed by teachers, with confirmation provided by annual NFER tests. These are taken each year in June.

- All pupils are tracked and teachers assess their progress using the NC levels and Average Point Scores. There are termly pupil progress meetings and data is analysed to identify pupils who are at risk of underachievement.

- National assessments: Pupils undertake the national phonics check at the end of Year 1. The results of each school are compared to other local schools.

- Standardised assessments: All pupils are also assessed annually on age-appropriate GL assessments, to make sure that the school is tracking general cognitive development and progress.

- Attainment is measured against National Curriculum levels in English literacy, numeracy and science. The European Common Framework is used for French/German literacy. All areas of the curriculum are reported each semester against the European Schools' four point measure.

- Attendance: The School has achieved good attendance rates with 97.2% attendance and 0.6% persistent absence (defined by the DfE as >15% absence out of the total possible school half-days).

- Exclusions: There have been no exclusions during this reporting period.

- SEN provision: There is good provision and support and pupils with SEN are monitored via Independent Provision Trackers. They made good rates of progress.

- Parental engagement: The June 2013 survey revealed a high level of satisfaction and praise for the school. Improving communication was identified as the key area for development. The survey is conducted every two years.

- A survey of staff opinion was taken during the summer term. This revealed a strong commitment from staff to the School, but also the strains of working extremely hard to set up a school from scratch, with an innovative curriculum in development.

- Safety and well-being: The School has improved site security both through clear and constant supervision and, in cooperation with the European School, in controlling access to the site. Pupils are encouraged to eat healthily and to treat each other with respect. Anti-bullying policy is in place and the few incidents reported over the year have been dealt with by positive reinforcement of good behaviour.

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- Performance management: A new Appraisal system has been introduced, with key targets and a regular cycle of lesson observations takes place to ensure staff have the support and CPD they need to improve and sustain quality.
- DfE feedback: The School has received good support from the DfE educational adviser. She has highlighted the successes of the School and expressed great confidence in the progress being made. Her advice for improvement has been carefully noted and acted on. This contributed to the preparedness of the School for a successful OFSTED inspection.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

On 4 July 2012, the School entered into a site-sharing agreement with the European School which runs until September 2017. The School is still in negotiations for the option agreement under this agreement, with a view to leasing the whole site for a period of 125 years from September 2017 onwards.

Financial Review

FINANCIAL REVIEW

Revenue income and expenditure

The net assets of the School at 31 August 2014 amount to £963,246 representing an increase of £14,125 compared to 31 August 2013. This resulted from a £23,014 surplus from the School's operating activity, a net increase of £9,111 in the fixed assets fund (capital grants received less depreciation for the year) and an increase of £18,000 in the School's Local Government Pension Scheme deficit.

96% of the income received in the year relates to grants received from the Education Funding Agency (EFA), mainly in the form of the General Annual Grant and Start-Up Grant. These are shown as Restricted Funds in the Statement of Financial Activities. The ratio of GAG funding per pupil was £3,930 for the year (£4,601 if we include the Start-up Grant).

Staff costs were £844,565 and represent 82% of the School's General Annual Grant & Start-up Grant.

Capital income and expenditure

Capital grants and donations totalling £76,428 were received during the year.

Additional furniture for classroom storage and display has been purchased during the year according to the educational need. This reflects the addition of two classrooms as the School grows.

The school is now equipped with 15 thin clients with touch-screen and 15 Raspberry Pi mini computers for pupil use in developing computing skills and general learning.

The requirements of the EYFS programme include outdoor learning activities. To improve facilities, particularly in inclement weather, a canopy has been added at the back of the Reception classrooms.

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Two temporary classrooms came into our possession at the end of the year and have been renovated and redecorated.

Staffing has increased each year since the School's opening and it has become necessary to provide a larger staff room. A room has been equipped at relatively small expenditure.

RESERVES POLICY

The Governors review the reserve 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 Academy's current level of reserves is £963,246, of which £1,624 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

MATERIAL INVESTMENTS 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 building society account.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Funding

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

The Finance and General Purposes committee examines the financial health of the School formally every term, reviewing performance against budgets.

Liquidity

The Governors examine the financial health of the School formally twice per term, reviewing performance against budgets, overall expenditure and cash flow. 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.

Performance and Achievement

The continuing success of the School is dependent on continuing to maintain the highest educational standards. To mitigate this risk, Governors ensure that pupil success and achievement are closely monitored and reviewed.

Pupil Numbers

Since the School is currently well over-subscribed, risks to revenue funding from a falling roll are small.

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GOVERNORS' REPORT (continued)
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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.

Safeguarding and Child Protection

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.

Pensions Costs

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

Failures in Governance and / or Management

The risk in this area arises from the potential failure to effectively manage the 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. The School has also commissioned an independent accounting firm to provide on-going accounting assistance.

Reputational

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

Fraud and Mismanagement of Funds

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

The School has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial policies and procedures have been developed and documented in a Finance Manual which lays out the framework for the School's financial management, including financial responsibilities of the Governing Body, the Principal, the Finance and Administration Manager and other staff, as well as the delegated authorities for spending. These procedures are now being embedded throughout the School.

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 insurance cover.

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GOVERNORS' REPORT (continued)
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An on-going risk management process is being established, identifying risks and their potential impact in a risk register and developing a risk management plan to address significant issues.

Plans for future periods

FUTURE DEVELOPMENTS

The School strives to continually improve levels of attainment for all pupils. The School is also looking forward to its expansion through the increase in year groups and it is envisaged that it will eventually provide education right through from ages 4-19 when the European School will close in 2017. It has successfully started the process of Accreditation as an Associated School to the European School system with the General Interest File approved in April 2014 at the Board of Governors meeting of the European School System.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:


- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The School was randomly selected by the DfE for an additional audit for the period from 1 April 2013 to 31 March 2014. Additional grant funds were provided by the EFA for this exercise. The evaluation of auditor submissions for this exercise led to the resignation from James Cowper LLP as auditors. The School confirmed, in a letter to the EFA, that there were no circumstances to bring to the attention of the Members in relation to their resignation. Consequently, the Governors appointed Critchleys LLP, Greyfriars Court, Paradise Square, Oxford, OX1 1BE, as the School's auditors. The EFA and Companies House have been informed accordingly, that the Governors have taken all the steps that ought to have been taken as Governors in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors, Critchleys LLP, have indicated their willingness to continue in office. The Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report, incorporating the Strategic Report, was approved by order of the Governing body, as the company directors, on 4 December 2014 and signed on the Board's behalf by:


J Weber
Chair of Governing body

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing body 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 Europa School UK and the Secretary of State for Education. They are also responsible for reporting to the Governing body 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 Governors' responsibilities statement. The Governing body has formally met 6 times during the year. Attendance during the year at meetings of the Governing body was as follows:

Governor	Meetings attended	Out of a possible
P Ashbourne, Principal and Accounting Officer	6	6
J Holderness-Laar	5	6
K Loudon	6	6
A Parker, Chair of Governors (to 3 October 2013)	6	6
C Della Croce	2	6
A Shorrocks	3	6
J Weber, Chair of Governors (from 3 October 2013)	6	6
B Yue, Vice-Chair and Chair of Finance	6	6
S Purves	6	6
S Kynoch	6	6
D Hickman	4	6
C Spence	2	4
P Smith	5	5
J Spiro	2	3

Governance reviews:

The diverse Governing body of Europa School UK 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, the School is both a company registered at Companies House and a charitable trust, exempt from the requirement to register with the Charities Commission. The School was visited by two teams of external inspectors during the year. One team was from OFSTED and the other from the European Schools' Directorate in Brussels. Whilst the remit of both inspection teams was broader than just the issues of governance, each team commented favourably on the governance arrangements at the School. The Chair of the Governing body has also taken part in the chairs of governor's development programme of the National College for Teaching and Leadership. The next self evaluation of the governing body will be carried out in summer 2015.

Over the last 12 months, the School has appointed two new Governors. Jane Spiro has been appointed as Co-opted Governor for Education. A specialist in language acquisition and education, she works as Reader for Education at Oxford Brookes University. Crawford Spence has been appointed as a governor specialist in finance following the resignation of Paul Adams as a governor. He is Professor for Accounting at Warwick University.

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GOVERNANCE STATEMENT (continued)

The Governors are continuously increasing their expertise through a variety of training opportunities and a training log for the Governors is maintained.

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

Attendance during the year at meetings of the Finance and General Purposes committee was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
B Yue, Chair	5	5
J Weber	5	5
A Parker	1	1
C Della Croce	3	4
P Ashbourne, Principal and Accounting Officer	5	5
C Spence	1	2
D Hickman	3	4

The Finance and Administration Manager also attended all of these meetings.

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's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Europa School UK for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing body has reviewed the key risks to which the School's is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing body.

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:

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GOVERNANCE STATEMENT (continued)

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing body;
- regular reviews by the Finance and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Critchleys LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a quarterly basis, the auditors report to the Governing body on the operation of the systems of control and on the discharge of the Governing body's financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Governing body on 4 December 2014 and signed on its behalf, by:



J Weber
Chair of Governing body



P Ashbourne
Accounting Officer

EUROPA SCHOOL UK
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Europa School UK I have considered my responsibility to notify the School's Governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the School's and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the School's Governing body are able to identify any material, irregular or improper use of funds by the School's, or material non-compliance with the terms and conditions of funding under the School's's funding agreement and the Academies Financial Handbook (2013).

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 Governing body and EFA.



P Ashbourne
Accounting Officer

Date: 4 December 2014

EUROPA SCHOOL UK
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

Company law requires the 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:

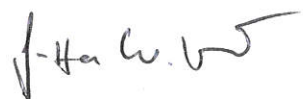
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/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 Governing body on 4 December 2014 and signed on its behalf by:



J Weber
Chair of Governing body

EUROPA SCHOOL UK
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF EUROPA SCHOOL UK

We have audited the financial statements of Europa School UK for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, and (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the 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 company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement set out on page 17, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable School's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

EUROPA SCHOOL UK
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF EUROPA SCHOOL UK

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Caroline Webster (Senior Statutory Auditor)
For and on behalf of Critchleys LLP
Statutory Auditor

Greyfriars Court
Paradise Square
Oxford
OX1 1BE
4 December 2014

EUROPA SCHOOL UK
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 31 May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Europa School UK during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EUROPA SCHOOL UK'S ACCOUNTING OFFICER AND THE
REPORTING 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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Governing body and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the Academy Trust extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.

EUROPA SCHOOL UK
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EUROPA
SCHOOL UK AND THE EDUCATION FUNDING AGENCY (continued)**

4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP

Greyfriars Court
Paradise Square
Oxford
OX1 1BE

4 December 2014

EUROPA SCHOOL UK
(A company limited by guarantee)

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

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	4,065	4,065	-
Investment income	3	2	-	-	2	116
Incoming resources from charitable activities	4	16,774	1,084,808	72,363	1,173,945	1,341,003
TOTAL INCOMING RESOURCES		16,776	1,084,808	76,428	1,178,012	1,341,119
RESOURCES EXPENDED						
Charitable activities		15,785	1,050,302	67,420	1,133,507	867,664
Governance costs	7	-	12,380	-	12,380	17,546
TOTAL RESOURCES EXPENDED	6	15,785	1,062,682	67,420	1,145,887	885,210
NET INCOMING RESOURCES BEFORE TRANSFERS		991	22,126	9,008	32,125	455,909
Transfers between Funds	17	-	(103)	103	-	-
NET INCOME FOR THE YEAR		991	22,023	9,111	32,125	455,909
Actuarial gains and losses on defined benefit pension schemes		-	(18,000)	-	(18,000)	(6,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		991	4,023	9,111	14,125	449,909
<i>Total funds at 1 September 2013</i>		<i>633</i>	<i>104,671</i>	<i>843,817</i>	<i>949,121</i>	<i>499,212</i>
TOTAL FUNDS AT 31 AUGUST 2014		1,624	108,694	852,928	963,246	949,121

All activities relate to continuing operations.

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

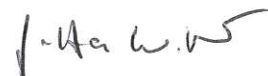
The notes on pages 25 to 43 form part of these financial statements.

EUROPA SCHOOL UK
(A company limited by guarantee)
REGISTERED NUMBER: 07649335

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		828,458		831,875
CURRENT ASSETS					
Debtors	15	53,423		214,429	
Cash at bank and in hand		200,588		133,309	
		<u>254,011</u>		<u>347,738</u>	
CREDITORS: amounts falling due within one year	16	(85,223)		(224,492)	
NET CURRENT ASSETS			168,788		123,246
TOTAL ASSETS LESS CURRENT LIABILITIES			997,246		955,121
Defined benefit pension scheme liability	23		(34,000)		(6,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>963,246</u>		<u>949,121</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	142,694		110,671	
Restricted fixed asset funds	17	852,928		843,817	
		<u>995,622</u>		<u>954,488</u>	
Restricted funds excluding pension liability					
Pension reserve		(34,000)		(6,000)	
				<u></u>	
Total restricted funds			961,622		948,488
Unrestricted funds	17		1,624		633
TOTAL FUNDS			<u>963,246</u>		<u>949,121</u>

The financial statements were approved by the Governing body, and authorised for issue, on 4 December 2014 and are signed on their behalf, by:


J. Weber
Chair of Governing body

The notes on pages 25 to 43 form part of these financial statements.

EUROPA SCHOOL UK
(A company limited by guarantee)

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

	Note	2014 £	2013 £
Net cash flow from operating activities	19	54,852	507,068
Returns on investments and servicing of finance	20	2	116
Capital expenditure and financial investment	20	12,425	(374,524)
INCREASE IN CASH IN THE YEAR		67,279	132,660

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

	2014 £	2013 £
Increase in cash in the year	67,279	132,660
MOVEMENT IN NET FUNDS IN THE YEAR	67,279	132,660
Net funds at 1 September 2013	133,309	649
NET FUNDS AT 31 AUGUST 2014	200,588	133,309

The notes on pages 25 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

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

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.4 Incoming resources

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

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

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

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

1.6 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 one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

The policy with respect to impairment reviews of fixed assets 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.

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

EUROPA SCHOOL UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

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

1.8 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 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 and the assets are held separately from those of the School.

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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

EUROPA SCHOOL UK
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Donations	-	4,065	4,065	-

3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Investment income	2	-	2	116

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Educational operations	16,774	1,157,171	1,173,945	1,341,003

EUROPA SCHOOL UK
(A company limited by guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
DfE/EFA grants				
General annual grant	-	884,205	884,205	689,193
Start up grant	-	151,029	151,029	196,537
Other DfE/EFA grants	-	103,088	103,088	406,995
Local Authority income	-	-	-	43,409
Other income	-	-	-	4,869
	<u>-</u>	<u>1,138,322</u>	<u>1,138,322</u>	<u>1,341,003</u>
Other government grants				
Local authority income	-	18,849	18,849	-
	<u>-</u>	<u>18,849</u>	<u>18,849</u>	<u>-</u>
Other funding				
Other income	16,774	-	16,774	-
	<u>16,774</u>	<u>-</u>	<u>16,774</u>	<u>-</u>
	<u>16,774</u>	<u>1,157,171</u>	<u>1,173,945</u>	<u>1,341,003</u>

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	<i>Total 2013 £</i>
Educational operations	<u>652,064</u>	<u>481,443</u>	<u>1,133,507</u>	<u>867,664</u>

EUROPA SCHOOL UK
(A company limited by guarantee)

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

6. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Direct costs	582,467	-	69,597	652,064	432,052
Support costs	262,098	67,420	151,925	481,443	435,612
Charitable activities	844,565	67,420	221,522	1,133,507	867,664
Governance	-	-	12,380	12,380	17,546
	844,565	67,420	233,902	1,145,887	885,210

7. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2014	2014	2014	2013
	£	£	£	£
Auditors' internal assurance costs	-	1,800	1,800	5,301
Auditors' remuneration	-	7,700	7,700	7,750
Governance costs	-	2,880	2,880	4,495
	-	12,380	12,380	17,546

8. DIRECT COSTS

	Restricted funds	Total	Total
	£	2014	2013
	£	£	£
Educational supplies	49,527	49,527	36,519
Other direct costs	17,277	17,277	4,192
Recruitment and support	2,793	2,793	4,570
Wages and salaries	484,857	484,857	325,843
National insurance	21,167	21,167	16,390
Pension cost	76,443	76,443	44,538
	652,064	652,064	432,052

EUROPA SCHOOL UK
(A company limited by guarantee)

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

9. SUPPORT COSTS

	Restricted funds £	Total 2014 £	Total 2013 £
Other direct costs	99	99	-
Technology costs	9,381	9,381	20,568
Rent and rates	84,720	84,720	61,855
Insurance	7,649	7,649	8,256
Bank interest and charges	113	113	-
Other support costs	17,821	17,821	55,513
Legal and professional	32,142	32,142	14,086
Wages and salaries	210,648	210,648	184,022
National insurance	18,547	18,547	17,385
Pension cost	32,903	32,903	27,816
Depreciation	67,420	67,420	46,111
	<u>481,443</u>	<u>481,443</u>	<u>435,612</u>

10. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	67,420	46,111
Auditors' remuneration - audit services	5,000	5,500
Auditors' internal assurance costs	1,800	5,301
Auditors' remuneration - non-audit services	2,700	2,250
	<u>77,820</u>	<u>59,162</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	654,880	509,866
Social security costs	39,714	33,775
Other pension costs (Note 23)	109,346	72,353
	<u>803,940</u>	<u>615,994</u>
Supply teacher costs	40,625	-
	<u>844,565</u>	<u>615,994</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

b. Staff numbers

The average number of persons employed by the School during the year expressed as full time equivalents was as follows:

	2014	<i>2013</i>
	No.	<i>No.</i>
Teachers and teaching assistants	20	<i>15</i>
Administration and support	3	<i>1</i>
Management	2	<i>3</i>
	<hr/> 25 <hr/>	<hr/> <i>19</i> <hr/>

c. Higher paid staff

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

	2014	<i>2013</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	0	<i>1</i>
In the band £80,001 - £90,000	1	<i>0</i>
	<hr/> 2 <hr/>	<hr/> <i>2</i> <hr/>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff members amounted to £19,284 (2013 - £19,975).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. GOVERNORS' REMUNERATION AND EXPENSES

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

	2014	2013
	£	£
P Ashbourne, Principal and Accounting Officer	80,000-85,000	<i>75,000-80,000</i>
S Kynoch	25,000-30,000	<i>25,000-30,000</i>
P Smith	5,000-10,000	<i>-</i>

During the year ended 31 August 2014, travelling expenses totalling £1,243 (2013 - £4,495) were reimbursed to 4 Governors (2013 - 5).

During the year retirement benefits were accruing to 3 Governors (2013 - 3) in respect of defined benefit pension schemes. The pension contributions for the Governors amounted to £15,760 (2013 - £18,371).

13. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £201 (2013 - £201). The cost of this insurance is included in the total insurance cost.

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Property improvements £	Total £
Cost					
At 1 September 2013	664,208	44,320	169,458	-	877,986
Additions	16,726	11,331	22,422	13,524	64,003
At 31 August 2014	680,934	55,651	191,880	13,524	941,989
Depreciation					
At 1 September 2013	10,045	5,379	30,687	-	46,111
Charge for the year	13,507	7,142	46,037	734	67,420
At 31 August 2014	23,552	12,521	76,724	734	113,531
Net book value					
At 31 August 2014	657,382	43,130	115,156	12,790	828,458
At 31 August 2013	654,163	38,941	138,771	-	831,875

15. DEBTORS

	2014 £	2013 £
Other debtors	45,218	206,094
Prepayments and accrued income	8,205	8,335
	<u>53,423</u>	<u>214,429</u>

**16. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	31,203	60,993
Other creditors	59	55
Accruals and deferred income	53,961	163,444
	<u>85,223</u>	<u>224,492</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

16. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2013	2,746
Resources deferred during the year	36,372
Amounts released from previous years	(2,746)
	<hr/>
Deferred income at 31 August 2014	36,372 <hr/> <hr/>

Included within creditors is deferred income of £36,372 (2013 - £2,746) which relates to the Universal Infant Free School Meals grant received from EFA which is to be utilised in year ending 31 August 2015.

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

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	633	16,776	(15,785)	-	-	1,624
Restricted funds						
General Annual Grant (GAG)	110,671	884,206	(826,662)	(31,863)	-	136,352
Start up Grant	-	151,029	(171,109)	20,080	-	-
Other DfE/EFA grants	-	30,724	(24,602)	-	-	6,122
Local Authority Income	-	18,849	(30,309)	11,680	-	220
Pension reserve	(6,000)	-	(10,000)	-	(18,000)	(34,000)
	104,671	1,084,808	(1,062,682)	(103)	(18,000)	108,694
Restricted fixed asset funds						
Fixed asset funds	843,817	63,900	(67,420)	103	-	840,400
Devolved Formula Capital	-	12,528	-	-	-	12,528
	843,817	76,428	(67,420)	103	-	852,928
Total restricted funds	948,488	1,161,236	(1,130,102)	-	(18,000)	961,622
Total of funds	949,121	1,178,012	(1,145,887)	-	(18,000)	963,246

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the EFA during the year in order to fund the continuing activities of the School. Under the Funding Agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

The Start up Grant represents funding received from the EFA during the year to cover the start up costs incurred by the School.

The other DfE/EFA grants represent funding for specific educational needs and includes pupil premium.

Local Authority income includes Special Education Need (SEN) income and is utilised to cover costs incurred for pupils with learning difficulties and other disabilities. It also includes other specific grant funding to cover specific educational needs.

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

17. STATEMENT OF FUNDS (continued)

The pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset fund

The fixed asset funds represents funding received from EFA to cover costs incurred in refurbishing the School's buildings, including classrooms and administrative offices. Included in this income was a donation to cover the cost of buying a red aeroplane for the School playground.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	828,457	828,457	831,875
Current assets	1,624	227,916	24,471	254,011	347,735
Creditors due within one year	-	(85,222)	-	(85,222)	(224,489)
Provisions for liabilities and charges	-	(34,000)	-	(34,000)	(6,000)
	<u>1,624</u>	<u>108,694</u>	<u>852,928</u>	<u>963,246</u>	<u>949,121</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	32,125	455,909
Returns on investments and servicing of finance	(2)	(116)
Depreciation of tangible fixed assets	67,420	46,111
Capital grants and donations	(76,428)	-
Decrease in debtors	161,006	550,410
(Decrease) in creditors	(139,269)	(545,246)
FRS 17 pension cost adjustments	10,000	-
Net cash inflow from operations	<u>54,852</u>	<u>507,068</u>

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

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2	116
	<u>2</u>	<u>116</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(64,003)	(374,524)
Capital grants and donations	76,428	-
	<u>12,425</u>	<u>(374,524)</u>
Net cash inflow/(outflow) capital expenditure	<u>12,425</u>	<u>(374,524)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	133,309	67,279	-	200,588
Net funds	<u>133,309</u>	<u>67,279</u>	<u>-</u>	<u>200,588</u>

22. CAPITAL COMMITMENTS

Thehool is party to a contract for the provision of ICT systems and services over a 5 year period totalling £363,495 (2013 - £567,867). Of this amount, £22,422 has been spent in this financial year (2013: £180,231). The balance will be spent over the next 3 years. This capital expenditure is funded by capital grants received from the EFA.

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

In addition, the proposed final agreement includes a Government commitment that those within 10 years

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. PENSION COMMITMENTS (continued)

of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £44,000, of which employer's contributions totalled £34,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 14.4% for employers plus a lump sum annual deficit payment of £5,800 and 5.5% to 6.8% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2014	2013
	£	£
Present value of funded obligations	(107,000)	(38,000)
Fair value of scheme assets	73,000	32,000
	<hr/>	<hr/>
Net liability	(34,000)	(6,000)
	<hr/> <hr/>	<hr/> <hr/>

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

23. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Current service cost	(44,000)	(22,000)
Interest on obligation	(3,000)	(1,000)
Expected return on scheme assets	3,000	1,000
	<hr/>	<hr/>
Total	(44,000)	(22,000)
	<hr/>	<hr/>
Actual return on scheme assets	6,000	2,000
	<hr/>	<hr/>

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

	2014 £	2013 £
Opening defined benefit obligation	38,000	-
Current service cost	44,000	22,000
Interest cost	3,000	1,000
Contributions by scheme participants	10,000	7,000
Actuarial Losses	12,000	8,000
	<hr/>	<hr/>
Closing defined benefit obligation	107,000	38,000
	<hr/>	<hr/>

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

	2014 £	2013 £
Opening fair value of scheme assets	32,000	-
Expected return on assets	3,000	1,000
Actuarial gains and (losses)	(6,000)	2,000
Contributions by employer	34,000	22,000
Contributions by employees	10,000	7,000
	<hr/>	<hr/>
	73,000	32,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was a loss of was £24,000 (2013 - loss of £6,000).

The School expects to contribute £32,000 to its defined benefit pension scheme in 2015.

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

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

	2014	2013
Equities	71.00 %	69.00 %
Gilts	10.00 %	12.00 %
Other bonds	6.00 %	4.00 %
Alternative assets	2.00 %	5.00 %
Property	6.00 %	6.00 %
Cash	5.00 %	4.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.70 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %
Inflation assumption (CPI)	2.70 %	2.90 %
Inflation assumptions (RPI)	3.50 %	3.70 %

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

	2014	2013
Retiring today		
Males	23.2	19.2
Females	25.5	23.2
Retiring in 20 years		
Males	25.4	21.1
Females	27.9	25.1

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(107,000)	(38,000)
Scheme assets	73,000	32,000
Deficit	(34,000)	(6,000)
Experience adjustments on scheme liabilities	(12,000)	(8,000)
Experience adjustments on scheme assets	(6,000)	2,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. RELATED PARTY TRANSACTIONS

Owing to the nature of the School's operations and the composition of the Governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.

No related party transactions took place in current or previous year.

25. CONTROLLING PARTY

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