
EUROPA SCHOOL UK
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

EUROPA SCHOOL UK
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

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

Governors

P Ashbourne, Principal and Accounting Officer¹
J Holderness-Laar
K Loudon
A Parker¹
C Della Croce (resigned 7 February 2015)¹
A Shorrocks
J Weber, Chair of Governors¹
B Yue, Vice-Chair and Chair of Finance (resigned 5 December 2014)¹
S Purves
S Kynoch
D Hickman¹
C Spence (resigned 5 December 2014)¹
P Smith
J Spiro
A Harrison, Chair of Finance (until 1 July 2015) (appointed 16 April 2015, resigned
1 July 2015)
R Barter (appointed 12 February 2015)
L Griffith, Chair of Finance (from 27 August 2015) (appointed 15 February 2015)
C Cousineau (appointed 20 January 2015)

¹ Finance and General Purposes Committee

Company registered number

07649335

Principal and registered office

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Company secretary

Oxfordshire Governor Services Clerks

Principal

P Ashbourne

Senior leadership team

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

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

EUROPA SCHOOL UK
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors present their annual report together with the audited financial statements of the charitable company for the year ended 31 August 2015. 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)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and Activities

OBJECTS AND AIMS

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

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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. 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.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic Report

Achievements and Performance

REVIEW OF ACTIVITIES

The main activities of Europa School UK for the year ended 31 August 2015 were as follows:

The school added a full new Reception intake in September, 2014 giving five year groups of 56 pupils each, 280 in total. Demand for Reception continues to be high, again exceeding two applications for every place. Turnover has been low (about 3%) and any places that become available were quickly filled, with at least 20 children on the continued interest list for each year group except Year 4 with 15.

Such has been the demand for places in the school that permission was sought from the Department for Education to add a third form of entry, offering education through a 50/50 split of Spanish and English. This was approved provisionally in time for Reception applications completed in January, 2015 and subsequently confirmed for future years. The school will therefore grow to be a full, three form per year group, all-through school by 2028, with a total of 1176 pupils.

In December, 2014, the school completed the process to be recognised as an Accredited European School for Primary and subsequently submitted dossiers for recognition of our Secondary and Baccalaureate plans. These were accepted by the Board of Governors of the European Schools in April, 2015, subject to audit when the sections open from September, 2017.

ESUK 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.

The percentage of pupils attaining the General Level of Development in the Early Years Profile was 50% compared with a national figure of 66%. This was almost entirely due to the low achievement in the writing element of literacy with the percentage rising to 63% once this is taken out. The lower score in writing is a reflection of our high proportion of EAL pupils, and that half of curriculum time in Reception is spent learning through a language other than English, for which writing progress is not reflected in these figures. Our average points score of 33.1 is close to the national average of 34.3.

The Phonics Check for Year 1 resulted in a 71% success rate. While this is below the national average 77%, it is again improved on last year and is achieved on the basis of two and a half days per week. With re-entry in Year 2 we match exactly the national figure of 90% success.

In the KS1 assessments, our pupils matched local and national results in Reading and Writing, apart from 2b+ in Writing. These achievements are based on half the time spent in English compared with National Curriculum schools. In Mathematics, taught in both languages of the class, our pupils are well ahead of national and local figures.

This is the first cohort to take the KS1 SATs having started with the Europa School in the Reception class and the results demonstrate the success of the model we are using. In Years 3 and 4 our pupils have made much better than average progress in all three of these assessment areas.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

| | | ESUK | Nat | Oxf |
|----------------|-----|-------------|------------|------------|
| Reading | 2+ | 89% | 90% | 92% |
| | 2b+ | 85% | 82% | 84% |
| | 3+ | 31% | 32% | 34% |
| Writing | 2+ | 91% | 88% | 88% |
| | 2b+ | 64% | 72% | 73% |
| | 3+ | 20% | 18% | 18% |
| Maths | 2+ | 98% | 93% | 94% |
| | 2b+ | 93% | 82% | 84% |
| | 3+ | 47% | 26% | 27% |

The school has a relatively low number of pupils eligible for the pupil premium payment. We put good measures in place for these pupils and they are achieving good results and making better progress than their peers.

We have a qualified SENCO in place who has supervised a full programme of identification and support of those with Special Educational Needs. The progress shown by these pupils generally matches or exceeds that of their peers.

In 2014-15 37 children received SEN support. This was 14% of the children on role (rising from 10% in the previous year). 45% (43% last year) of these children were at School Action Plus, which means that they received support from professionals outside the school. Additionally, 2 children have statements. According to primary need, 71% of the children were supported for Cognition and Learning needs, 10% for Physical Disabilities, 19% for Emotional and Behavioural difficulties. Some of the children were supported for more than one area of learning need.

We set a target of reaching at least B2/C1 level of competence (as measured by the CEFR criteria) in French and German by the end of primary in order that pupils will follow courses in secondary in these languages. 92% of pupils are on target to achieve this level in comprehension and 84% in speaking, with a further 6% and 9% respectively on target for B1. These statistics include recent arrivals in the school, where additional support measures should accelerate their progress, leading to better future performance, particularly in speaking.

KEY FINANCIAL PERFORMANCE INDICATORS

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

Staffing costs are monitored as a percentage of total revenue income (General Annual grant and Start Up Grant). For the period ended 31 August 2015, staffing costs amounted to 75% of total revenue income.

For the period ended 31 August 2015, the operating surplus before depreciation was £220,994 (£99,545), representing 16% of its incoming resources.

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

- ESUK follows the European Schools' assessment and reporting systems and the DfE requirements for reporting pupils progress and attainment. Pupil attainment and progress is assessed by teachers, and moderated by annual GL-Assessment 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.

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There are termly pupil progress meetings and data is analysed to identify pupils who are at risk of underachievement. A revised process is in place for 2015-16 to reflect the removal of National Curriculum Levels.

- 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: ESUK has achieved good attendance rates with 95.3% attendance and 2% persistent absence (defined by the DfE as >15% absence out of the total possible school half-days).
- Exclusions: ESUK has had no exclusions during this reporting period.
- SEN provision: There is good provision and support and pupils with SEN are monitored via Independent Provision Trackers. They made good rates of progress.
- Parental engagement: A survey was conducted in June 2015 which revealed a continued high level of satisfaction and praise for the school. There is a clear desire on the part of parents to engage even more with their children's learning, even when the language level makes that difficult. This is a priority item for the coming year. The survey is conducted every two years.
- Safety and well-being: ESUK has improved site security both through clear and constant supervision and, in cooperation with the European School, in controlling access to the site. Pupils are encouraged to eat healthily and to treat each other with respect. Anti-bullying policy is in place and the few incidents reported over the year have been dealt with by positive reinforcement of good behaviour. Control of access to the site has been enhanced with the addition of CCTV at points of entry.
- Performance management: Our appraisal system includes key targets and a regular cycle of lesson observations to ensure staff have the support and CPD they need to improve and sustain quality.

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Financial Review

FINANCIAL REVIEW

The net assets of the school at 31st August 2015 amount to £1,105,972 representing an increase of £142,727 compared to 31st August 2014. This resulted from a £126,709 surplus from the school's operating activity and a net increase of £16,018 of the fixed assets fund (capital grants received less depreciation for the year).

97% of the income received in the year relates to grants received from the Education funding Agency mainly General Annual grant and Start-Up Grant. These are shown as Restricted funds in the Statement of Financial Activities. The ratio of GAG funding per pupil was £3,723 for the year (£4,358 including the Start-up Grant).

Staff costs of £921,212 represent 75% of the School's General Annual Grant & Start-up Grant funding.

£92,282 of Capital grants were received during the year.

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 school's current level of reserves is £1,105,973, of which £2,889 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

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 Academy's financial management, including financial responsibilities of the Governing Body, Principal, Finance managers and other staff, as well as the delegated authorities for spending. These procedures are now being embedded.

Risk Management

The Trustees 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.

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.

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GOVERNORS' REPORT (continued)
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The principal risks and uncertainties facing the Academy 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 Academy 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. Cash flow is monitored on a regular basis.

Performance & 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.

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 recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. 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.

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GOVERNORS' REPORT (continued)
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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.

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 2015 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.

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GOVERNORS' REPORT (continued)
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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 governors 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 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 10 December 2015 and signed on the board's behalf by:



S Purves
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 5 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 | 5 | 5 |
| J Holderness-Laar | 5 | 5 |
| K Loudon | 4 | 5 |
| A Parker | 4 | 5 |
| C Della Croce | 3 | 3 |
| A Shorrocks | 5 | 5 |
| J Weber | 4 | 5 |
| B Yue | 2 | 2 |
| S Purves | 5 | 5 |
| S Kynoch | 5 | 5 |
| D Hickman | 4 | 5 |
| C Spence | 1 | 2 |
| P Smith | 4 | 5 |
| J Spiro | 4 | 5 |
| A Harrison | 2 | 2 |
| R Barter | 2 | 2 |
| L Griffith | 2 | 2 |
| C Cousineau | 2 | 3 |

Governance reviews:

The diverse governing body of Europa School UK (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 seven members above each contributed a guarantee of £10 each to form the company. The members of the company appoint the Directors of ESUK, including the Principal ex officio, and act as Trustees for the Charity. 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 are chaired by Andrew Parker

At the closure of the school year 2014/2015 there were 15 appointed governors including the Principal. The parent and staff bodies each elect two governors. Seven governors are currently appointed by the founding members. There are also three posts for co-opted governors appointed by the Governing Body.

GOVERNANCE STATEMENT (continued)

The Governing Body is healthy and this school year appointed four new governors and a new associated member to the Finance Committee. The Primary Head Pascal Marechau has been appointed associated member of the Governing Body. Since December 2014 ESUK has a permanent Clerk in Dr Melanie Gould.

All chairs of the committees are experts in their field.

- The Education Committee is chaired by founding member Jackie Holderness, an Educationalist has experience of more than 35 years, with a particular interest in international, multilingual and bilingual education.
- The Premises and Liaison Committee is chaired by Andrew Parker (also the chair of founding members). As Professor of Physiology and principal bursar of St John's College he is not solely experienced in science and higher education but also in maintaining, financing and the upkeep of historic buildings.
- The chair of the Finance and General Purposes Committee changed twice in 2014/2015 and this role is now held by Loren Griffith who joined as a member Governor in April. His role as Director of International Strategy, Oxford University as well as his legal qualifications and policy development experience brings all expected skills for this key position.
- The Chair of Governors is Jutta Weber (founding member), who is on leave from her position as civil servant (auditor) of the German Finance authorities. She has a substantial knowledge of the European Schools system and, as a parent representative, has been involved in the development of the European School curriculum at all levels. She has finished the dedicated program from the National College for Teaching & Leadership for Chairs of Governors' leadership training in November 2014.

During the current school year Bénédicte Yue resigned in December 2014, which resulted in a new parent governor election. Clare Cousineau joined the Governing Body in that role in February 2015. Crawford Spence also resigned in December 2014 resulting in an appeal for interested members of the public to join Finance Committee. Subsequently Alison Harrison, Robin Barter and Loren Griffith were appointed. Antoine de Vazelhes joined as associated member and is acting as internal legal advisor, a role taken over since Clara Della Croce left the Governing Body in February 2015.

Further members of the Governing Body in 2014/2015 were:

Karin Loudon is a founding member continuing in the Governing Body in 2014/2015. Her expertise lies in communication. She ran the public consultation and the press contacts during the setup period. Karin has stepped down from her role as governor at the end of the school year remaining a member. Antoine de Vazelhes has been appointed to join a member governor replacing this vacancy.

Antonella Shorrock (founding member and governor) is a qualified coach, interpreter and expert in European education.

Simon Purves (elected parent Governor) has until recently been a on the governing body of the other local primary school (Culham Parochial C of E). He brings greatly valued insight into current models of governance as well as a wealth of experiences especially in ICT.

Sarah Kynoch (elected staff governor) is the SENCO of the school and member of the senior leadership team. Jane Spiro (Co-opted Governor) is a specialist in language acquisition and education, she works as Reader for Education at Oxford Brookes University. Jane has planned a sabbatical for 2015/2016 and on her return will become an associate to the Education Committee.

Damian Hickman (Co-opted governor) has been appointed to coordinate the Fundraising Committee which is separate from the Governing Body.

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GOVERNANCE STATEMENT (continued)

Pascale Smith (elected staff governor) has been involved in setting up ESUK from 2011 and is now working as a TA in the French classes.

Alison Harrison joined the Governing Body in February and took on the Chair of the Finance Committee. She holds a degree in PPE and has been among other positions as an assistance professor for finance at Grenoble Ecole de Management, Grenoble & London. She resigned after the last Governing Body meeting in 2014/2015 for personal reasons.

A wide pool of voluntarily offered expertise is also available to the governors. The governors of ESUK are continuously increasing their expertise through a variety of training opportunities. A training log for the Governors is kept and is growing impressively (more details can be found in the governors' folder at request).

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. A skills audit of the Governing Body was undertaken by the clerk for the February 2015 meeting. All new governors joining since the audit 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 Results, January 2015

Here are the results from nine of the governors currently serving on the Governing Body. The results are expressed as a percentage with 100% for each section of questions being a score of 5 for all questions by all governors.

No section resulted in a full 100%. The highest percentage was in the questions for skills 'Essential for all governors/trustees' at 86% (Table 1). The two lowest scoring sections were regarding 'Financial oversight' (61%) and 'Knowing your school and community' (63%). The results in a bar graph (Figure 1), show that there was no low scoring section.

| Should exist across the governing body | Section | Percentage |
|--|---|------------|
| | Essential for all governors/trustees | 86 |
| | Understanding and/or experience of governance | 79 |
| | Vision and strategic planning | 79 |
| | Holding the head to account | 81 |
| | Financial oversight | 61 |
| | Knowing your school and community | 63 |

Table 1. Results of the skills audit in table format.

GOVERNANCE STATEMENT (continued)

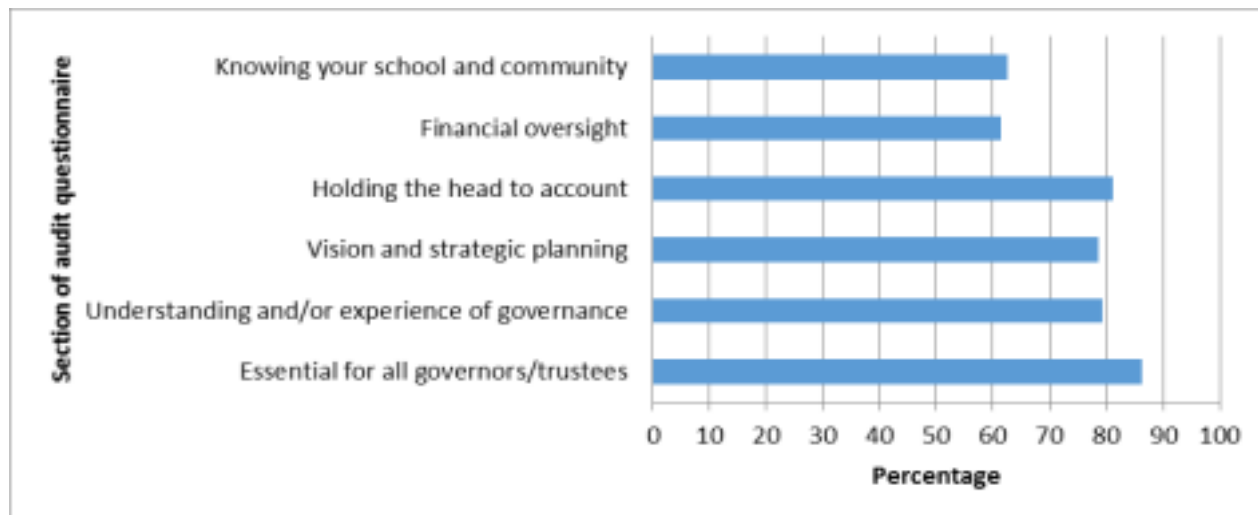


Figure 1. Bar graph visually displaying the range of skills of nine members of the Governing Body of Europa.

The results do not include the skills audit of the current principal and so demonstrates that the Governing Body is still effective without the principal. This indicates that it is effective at holding the principal to account and does not rely on his skills to remain effective.

Main objectives and challenges to the Governing Body:

1. 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 very different nature of ESUK compared to other English schools, even other bilingual free schools. The governors and school management are proud that the widening the pedagogical offer into a three-form entry into Reception with the new Spanish/English stream has been achieved from the school year 2015/2016. As of September 2015 there will be a three form intake with a cohort of 84.

2. In 2014/2015 the main objective to achieve full accreditation as a European School has been achieved. The papers were exchanged at the February meeting with the Secretary General of the European School signing off with the Governing Body. The Dossier of Conformity for Secondary education has been adopted by the Board of Governors of the European School system at April 2015 meeting. ESUK has been using the curriculum of the European School system from day one. A pathway for former students of the European school of Culham joining in 2017 has been agreed and presented to the parents.

The different curriculum and approach of ESUK is of great interest to various Universities, who have expressed their desire to follow ESUK's development. As a governing body, we are proud to have experts already among the group.

3. After tendering, the ESUK has commissioned an external development study from HOK. In June 2015 HOK presented their final site development plan. The maintenance backlog of the current site remains a major challenge but is being steadily addressed. Due to unresolved licensing issues around the site, the ESUK has not yet been able to sign the lease agreement offered by the Department for Education, who control the site. However, founding members and governors agree they wish to take on the lease and sign off in the near future. The development of the site, grant application and fundraising will shape the next year.

4. Reduced funding is another threat on the horizon which is closely monitored by our finance committee. 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 other more financially potent schools offering better paid positions both within the UK (mainly looking for language expertise) and

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GOVERNANCE STATEMENT (continued)

across the globe (international schools, other European schools).Our teachers are required to deliver a complex curriculum and need even more joint planning time than teachers in other schools. This creates a special bond, but also an extraordinary workload. They need to be skilled team workers and their dedication to date has led them to be highly respected by us. The Governing Body recognizes the importance of nurturing good staff and is currently organizing a staff well-being survey, which we plan to alternate with a parent survey every other year.

5. 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, but in the case of ESUK they additionally omit attainment in Literacy in German, French and Spanish. For some pupils this attainment is on a par with or even exceeding 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. Good use is made of the European Schools' system for recording attainment right across the curriculum and the European Common Framework for progress in language acquisition. The European Schools' assessment strategy is currently in a cycle of review and English national measures have also undergone revision. There is ongoing need to update and maintain equivalence between the measures and to engage external moderation in both systems.

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 at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| L Griffith | 1 | 2 |
| J Weber | 5 | 5 |
| A Harrison | 2 | 2 |
| C Della Croce | 2 | 3 |
| P Ashbourne, Principal and Accounting Officer | 5 | 5 |
| C Spence | 1 | 2 |
| D Hickman | 3 | 5 |
| R Barter | 1 | 2 |
| B Yue | 2 | 2 |
| C Cousineau | 2 | 2 |
| A de Vazelhes | 2 | 2 |

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

GOVERNANCE STATEMENT (continued)

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.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Efficient and appropriate use of resources

In September, 2014 the trust added a new Reception group to the existing classes promoted to Year 1, 2, 3 and 4 bringing total pupil provision to 280. The school continued to be oversubscribed, with more than two applications for every place and an extensive continued interest list for all year groups.

Our classrooms are used to their full capacity with two classes of 28 in each year group and we have a very high rate of room occupancy.

At the limit of our capacity, we are then responding to both the general demand for primary places in Oxfordshire and the specific demand for a multi-lingual, multi-cultural school.

The Europa School works closely with the European School of Culham in seeking economies and improvements for the whole site. Shared resources bringing economies of scale include care-taking, cleaning and catering.

Staff deployment is kept under constant review to ensure the best use of our teachers and teaching assistants. To secure the objective of a strong bilingual foundation for our pupils, each class is shared between two teachers, one of each language, supported by teaching assistants also of the appropriate language. Employment of a largely multilingual staff 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.

Educational Results

Our educational results at EYFS and KS1 are typical of or better than those attained in the county, but with Literacy a little below norm and Mathematics well ahead. The literacy results should be seen in the light of nearly 50% EAL intake and that the test is of English literacy while our pupils spend half the week attaining parallel skills in a second language. The progress seen in Year 3 and 4 literacy (moderated with neighbouring schools) is well ahead of national norms and shows the benefit of bilingual education by this stage and the strong progress in Mathematics is built on with outstanding results in Year 4.

The school has obtained approval from the Board of Governors of the European Schools to open a European School secondary section from September 2017 and to immediately offer the European Baccalaureate.

Financial oversight

Monthly reconciliations, prepared by the finance manager, are reviewed and signed off by the Principal as Accounting Officer. We have engaged independent accountants who provide both support and an additional level of scrutiny. The Governing Body's Finance and General Purposes sub-committee has profited from accountancy expertise among its members. The committee analyses the accounts on a regular basis both for accuracy and for appropriate use in line with the mission of the school.

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

GOVERNANCE STATEMENT (continued)

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 Europa School UK for the year 1 September 2014 to 31 August 2015 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 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 2014 to 31 August 2015 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 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 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. In particular the checks carried out in the current period included:

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.

No major issues were identified. However, the auditors suggested recommendations in a few areas mainly aimed at ensuring processes / controls are put in place as the School expands and also to ensure a better segregation of duties which had not always been achieved given the small size of the Finance department. These recommendations have now been addressed.

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 who have responsibility for the development and maintenance of the internal control framework.

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GOVERNANCE STATEMENT (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 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 10 December 2015 and signed on its behalf, by:



S Purves
Chair of Governing body



P Ashbourne
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 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the school Governing Body are able to identify any material, irregular or improper use of 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 (2014).

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: 10 December 2015

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 10 December 2015 and signed on its behalf by:



S Purves
Chair of Governing Body

EUROPA SCHOOL UK
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPA SCHOOL UK

We have audited the financial statements of Europa School UK for the year ended 31 August 2015 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 2014 to 2015 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 23, 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 2015 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 2014 to 2015 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
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPA SCHOOL UK

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



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

Greyfriars Court
Paradise Square
Oxford
OX1 1BE
10 December 2015

EUROPA SCHOOL UK
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**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 2014 to 2015, 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 2014 to 31 August 2015 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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.

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**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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Caroline Webster (Senior Statutory Auditor)

Critchleys LLP

Greyfriars Court
Paradise Square
Oxford
OX1 1BE

10 December 2015

EUROPA SCHOOL UK
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | - | 360 | - | 360 | 4,065 |
| Investment income | 3 | 89 | - | - | 89 | 2 |
| Incoming resources from charitable activities | 4 | 35,721 | 1,338,780 | 92,282 | 1,466,783 | 1,173,945 |
| TOTAL INCOMING RESOURCES | | 35,810 | 1,339,140 | 92,282 | 1,467,232 | 1,178,012 |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | 6 | 34,544 | 1,201,216 | 76,264 | 1,312,024 | 1,133,507 |
| Governance costs | 7 | - | 10,481 | - | 10,481 | 12,380 |
| TOTAL RESOURCES EXPENDED | 5 | 34,544 | 1,211,697 | 76,264 | 1,322,505 | 1,145,887 |
| NET INCOMING RESOURCES BEFORE REVALUATIONS | | 1,266 | 127,443 | 16,018 | 144,727 | 32,125 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (2,000) | - | (2,000) | (18,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 1,266 | 125,443 | 16,018 | 142,727 | 14,125 |
| <i>Total funds at 1 September 2014</i> | | <i>1,623</i> | <i>108,695</i> | <i>852,928</i> | <i>963,246</i> | <i>949,121</i> |
| TOTAL FUNDS AT 31 AUGUST 2015 | | 2,889 | 234,138 | 868,946 | 1,105,973 | 963,246 |

All activities relate to continuing operations.

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

The notes on pages 31 to 48 form part of these financial statements.

EUROPA SCHOOL UK
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REGISTERED NUMBER: 07649335

BALANCE SHEET
AS AT 31 AUGUST 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|---|------|------------------|------------------|----------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 840,135 | | 828,458 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 82,737 | | 53,423 | |
| Cash at bank and in hand | | 323,105 | | 200,588 | |
| | | <u>405,842</u> | | <u>254,011</u> | |
| CREDITORS: amounts falling due within one year | 14 | (88,004) | | (85,223) | |
| NET CURRENT ASSETS | | | 317,838 | | 168,788 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,157,973 | | 997,246 |
| Defined benefit pension scheme liability | 21 | (52,000) | | (34,000) | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>1,105,973</u> | | <u>963,246</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 15 | 286,138 | | 142,695 | |
| Restricted fixed asset funds | 15 | 868,946 | | 852,928 | |
| Restricted funds excluding pension liability | | <u>1,155,084</u> | | <u>995,623</u> | |
| Pension reserve | 15 | (52,000) | | (34,000) | |
| Total restricted funds | | | 1,103,084 | | 961,623 |
| Unrestricted funds | 15 | | 2,889 | | 1,623 |
| TOTAL FUNDS | | | <u>1,105,973</u> | | <u>963,246</u> |

The financial statements were approved by the Governing Body, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

S Purves
Chair of Governing Body

The notes on pages 31 to 48 form part of these financial statements.

EUROPA SCHOOL UK
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

| | Note | 2015 £ | 2014 £ |
|---|------|----------------|---------------|
| Net cash flow from operating activities | 17 | 118,090 | 54,852 |
| Returns on investments and servicing of finance | 18 | 89 | 2 |
| Capital expenditure and financial investment | 18 | 4,338 | 12,425 |
| INCREASE IN CASH IN THE YEAR | | 122,517 | 67,279 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Increase in cash in the year | 122,517 | 67,279 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 122,517 | 67,279 |
| Net funds at 1 September 2014 | 200,588 | 133,309 |
| NET FUNDS AT 31 AUGUST 2015 | 323,105 | 200,588 |

The notes on pages 31 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 with restrictions imposed by funders and include grants from Education Funding Agency.

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

1.3 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 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

Charitable activities are costs incurred in the 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.

1.5 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.

1.6 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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 |

1.7 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.

1.8 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 21, 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|-----------|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Donations | - | 360 | 360 | 4,065 |
| | _____ | _____ | _____ | _____ |

3. INVESTMENT INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|-------------------|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Investment income | 89 | - | 89 | 2 |
| | _____ | _____ | _____ | _____ |

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|------------------------|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Educational operations | 35,721 | 1,431,062 | 1,466,783 | 1,173,945 |
| | _____ | _____ | _____ | _____ |

EUROPA SCHOOL UK
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA grants | | | | |
| General annual grant | - | 1,042,400 | 1,042,400 | 811,843 |
| Start up grant | - | 177,709 | 177,709 | 151,029 |
| Other DfE/EFA grants | - | 112,196 | 112,196 | 103,087 |
| Capital grants | - | 92,282 | 92,282 | 72,363 |
| | <u>-</u> | <u>1,424,587</u> | <u>1,424,587</u> | <u>1,138,322</u> |
| Other government grants | | | | |
| Local authority income | - | 6,475 | 6,475 | 18,849 |
| | <u>-</u> | <u>6,475</u> | <u>6,475</u> | <u>18,849</u> |
| Other funding | | | | |
| Other income | 35,721 | - | 35,721 | 16,774 |
| | <u>35,721</u> | <u>-</u> | <u>35,721</u> | <u>16,774</u> |
| | <u>35,721</u> | <u>1,431,062</u> | <u>1,466,783</u> | <u>1,173,945</u> |

5. RESOURCES EXPENDED

| | Staff costs 2015 £ | Non Pay Premises 2015 £ | Expenditure Other costs 2015 £ | Total 2015 £ | Total 2014 £ |
|------------------------------|--------------------------|----------------------------------|---|--------------------|--------------------|
| Direct costs | 657,930 | - | 92,434 | 750,364 | 652,064 |
| Support costs | 263,282 | 112,865 | 185,513 | 561,660 | 481,443 |
| Charitable activities | <u>921,212</u> | <u>112,865</u> | <u>277,947</u> | <u>1,312,024</u> | <u>1,133,507</u> |
| Governance | <u>-</u> | <u>-</u> | <u>10,481</u> | <u>10,481</u> | <u>12,380</u> |
| | <u>921,212</u> | <u>112,865</u> | <u>288,428</u> | <u>1,322,505</u> | <u>1,145,887</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. CHARITABLE ACTIVITIES

| | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|---------------------------|---------------------------------------|---------------------------------------|
| DIRECT COSTS | | |
| Wages and salaries | 538,482 | 484,857 |
| National insurance | 28,439 | 21,167 |
| Pension cost | 91,009 | 76,443 |
| Educational supplies | 54,141 | 49,527 |
| Other direct costs | 36,818 | 17,277 |
| Recruitment and support | 1,475 | 2,793 |
| | 750,364 | 652,064 |
| SUPPORT COSTS | | |
| Wages and salaries | 209,381 | 210,648 |
| National insurance | 18,507 | 18,547 |
| Pension cost | 35,395 | 32,903 |
| Depreciation | 76,267 | 67,420 |
| Other direct costs | 1,100 | 99 |
| Technology costs | 26,358 | 9,381 |
| Rent and rates | 98,727 | 84,720 |
| Insurance | 9,005 | 7,649 |
| Catering | 53,962 | - |
| Bank interest and charges | 634 | 113 |
| Other support costs | 19,456 | 17,821 |
| Legal and professional | 12,868 | 32,142 |
| | 561,660 | 481,443 |
| | 1,312,024 | 1,133,507 |

7. GOVERNANCE COSTS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|------------------------------------|--|--|---------------------------------------|---------------------------------------|
| Auditors' internal assurance costs | - | 1,320 | 1,320 | 1,800 |
| Auditors' remuneration | - | 6,274 | 6,274 | 7,700 |
| Governance costs | - | 2,887 | 2,887 | 2,880 |
| | - | 10,481 | 10,481 | 12,380 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. NET INCOMING RESOURCES

This is stated after charging:

| | 2015 £ | 2014 £ |
|---|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 76,267 | 67,420 |
| Auditors' remuneration - audit services | 5,000 | 5,000 |
| Auditors' remuneration - non-audit | 1,274 | 2,700 |
| Auditors' internal assurance costs | 1,320 | 1,800 |
| | 78,861 | 76,920 |

9. STAFF

a. Staff costs

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-------------------------------|----------------|----------------|
| Wages and salaries | 731,381 | 654,881 |
| Social security costs | 46,945 | 39,714 |
| Other pension costs (Note 21) | 126,404 | 109,346 |
| | 904,730 | 803,941 |
| Supply teacher costs | 16,482 | 40,624 |
| | 921,212 | 844,565 |

b. Staff numbers

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

| | 2015 No. | 2014 No. |
|----------------------------------|-------------|-------------|
| Teachers and teaching assistants | 23 | 20 |
| Administration and support | 2 | 3 |
| Management | 3 | 2 |
| | 28 | 25 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. STAFF (continued)

c. Higher paid staff

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

| | 2015 | <i>2014</i> |
|-------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £80,001 - £90,000 | 1 | 1 |
| | <hr/> | <hr/> |
| | 2 | <i>2</i> |
| | <hr/> | <hr/> |

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £20,326 (2014 - £19,284).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. 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 and other benefits fell within the following bands:

| | 2015 | 2014 |
|---|----------------------|----------------------|
| | £ | £ |
| P Ashbourne, Principal and Accounting Officer | 80,000-85,000 | <i>80,000-85,000</i> |
| S Kynoch | 25,000-30,000 | <i>25,000-30,000</i> |
| P Smith | 5,000-10,000 | <i>5,000-10,000</i> |

Pension contributions for the above governors fall within the following bands:

P Ashbourne: £10,000 - £15,000 (2014: £10,000 - £15,000)

S Kynoch: £0 - £5,000 (2014: £0 - £5,000)

P Smith: £0 - £5,000 (2014: £0 - £5,000)

During the year ended 31 August 2015, travel expenses totalling £87 (2014 - £4,397) were reimbursed to 2 Governors (2014 - 4).

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £252 (2014 - £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 2015**

12. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Other fixed assets £ | Total £ |
|-----------------------|---|-------------------------------|----------------------------|----------------------------|------------------|
| Cost | | | | | |
| At 1 September 2014 | 680,934 | 55,651 | 191,880 | 13,524 | 941,989 |
| Additions | 25,000 | 33,198 | 29,746 | - | 87,944 |
| At 31 August 2015 | <u>705,934</u> | <u>88,849</u> | <u>221,626</u> | <u>13,524</u> | <u>1,029,933</u> |
| Depreciation | | | | | |
| At 1 September 2014 | 23,552 | 12,521 | 76,724 | 734 | 113,531 |
| Charge for the year | 14,139 | 10,238 | 48,762 | 3,128 | 76,267 |
| At 31 August 2015 | <u>37,691</u> | <u>22,759</u> | <u>125,486</u> | <u>3,862</u> | <u>189,798</u> |
| Net book value | | | | | |
| At 31 August 2015 | <u>668,243</u> | <u>66,090</u> | <u>96,140</u> | <u>9,662</u> | <u>840,135</u> |
| At 31 August 2014 | <u>657,382</u> | <u>43,130</u> | <u>115,156</u> | <u>12,790</u> | <u>828,458</u> |

13. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|---------------|---------------|
| VAT recoverable | 8,626 | 5,162 |
| Other debtors | 59,364 | 40,056 |
| Prepayments and accrued income | 14,747 | 8,205 |
| | <u>82,737</u> | <u>53,423</u> |

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

| | 2015 £ | 2014 £ |
|------------------------------|---------------|---------------|
| Trade creditors | 11,944 | 31,203 |
| Other creditors | 26 | 58 |
| Accruals and deferred income | 76,034 | 53,962 |
| | <u>88,004</u> | <u>85,223</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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

| | £ |
|--------------------------------------|-----------------|
| Deferred income | |
| Deferred income at 1 September 2014 | 36,372 |
| Resources deferred during the year | 37,346 |
| Amounts released from previous years | (36,372) |
| | <hr/> |
| Deferred income at 31 August 2015 | 37,346 |
| | <hr/> |

Included within deferred income is £37,346 (2014 - £36,372) which relates to the Universal Infant Free School Meals grant received from EFA which is to be utilised in year ending 31 August 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

15. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|-------------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | |
| General Funds | 1,623 | 35,810 | (34,544) | - | 2,889 |
| Restricted funds | | | | | |
| General Annual Grant (GAG) | 136,353 | 1,042,400 | (892,615) | - | 286,138 |
| Start up Grant | - | 177,709 | (177,709) | - | - |
| Other DfE/EFA grants | 6,122 | 112,196 | (118,318) | - | - |
| Local Authority Income | 220 | 6,475 | (6,695) | - | - |
| Other income | - | 360 | (360) | - | - |
| Pension reserve | (34,000) | - | (16,000) | (2,000) | (52,000) |
| | 108,695 | 1,339,140 | (1,211,697) | (2,000) | 234,138 |
| Restricted fixed asset funds | | | | | |
| Fixed asset funds | 852,928 | 92,282 | (76,264) | - | 868,946 |
| Total restricted funds | 961,623 | 1,431,422 | (1,287,961) | (2,000) | 1,103,084 |
| Total of funds | 963,246 | 1,467,232 | (1,322,505) | (2,000) | 1,105,973 |

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 2015.

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.

The pension reserve represents the Local Government Pension Scheme deficit.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

15. STATEMENT OF FUNDS (continued)

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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 840,136 | 840,136 | 828,457 |
| Current assets | 2,889 | 374,143 | 28,810 | 405,842 | 254,011 |
| Creditors due within one year | - | (88,005) | - | (88,005) | (85,222) |
| Provisions for liabilities and charges | - | (52,000) | - | (52,000) | (34,000) |
| | <u>2,889</u> | <u>234,138</u> | <u>868,946</u> | <u>1,105,973</u> | <u>963,246</u> |

17. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 £ | 2014 £ |
|---|----------------|---------------|
| Net incoming resources before revaluations | 144,727 | 32,125 |
| Returns on investments and servicing of finance | (89) | (2) |
| Depreciation of tangible fixed assets | 76,267 | 67,420 |
| Capital grants and donations | (92,282) | (76,428) |
| Decrease in debtors | (29,314) | 161,006 |
| (Decrease) in creditors | 2,781 | (139,269) |
| FRS 17 pension cost adjustments | 16,000 | 10,000 |
| Net cash inflow from operations | <u>118,090</u> | <u>54,852</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

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

| | 2015 £ | 2014 £ |
|--|--------------|---------------|
| Returns on investments and servicing of finance | | |
| Interest received | 89 | 2 |
| | 89 | 2 |
| | 2015 £ | 2014 £ |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (87,944) | (64,003) |
| Capital grants and donations | 92,282 | 76,428 |
| | 4,338 | 12,425 |
| Net cash inflow capital expenditure | 4,338 | 12,425 |

19. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2014 £ | Cash flow £ | Other non-cash changes £ | 31 August 2015 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 200,588 | 122,517 | - | 323,105 |
| Net funds | 200,588 | 122,517 | - | 323,105 |

20. CAPITAL COMMITMENTS

The school is party to a contract for the provision of ICT systems and services over a 5 year period totalling £333,749 (2014 - £363,495). Of this amount, £29,746 has been spent in this financial year (2014: £22,422). The balance will be spent over the next 3 years. This capital expenditure is funded by capital grants received from the EFA.

21. 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 2012 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 2015

21. 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.

Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £54,881 (2014: £45,606).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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

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 2015 was £47,000, of which employer's contributions totalled £35,000 and employees' contributions totalled £12,000. 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:

| | 2015 £ | 2014 £ |
|-------------------------------------|-------------------|-------------------|
| Present value of funded obligations | (175,000) | (107,000) |
| Fair value of scheme assets | 123,000 | 73,000 |
| | <u> </u> | <u> </u> |
| Net liability | (52,000) | (34,000) |
| | <u> </u> | <u> </u> |

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

| | 2015 £ | 2014 £ |
|----------------------------------|-------------------|-------------------|
| Current service cost | (51,000) | (44,000) |
| Interest on obligation | (6,000) | (3,000) |
| Expected return on scheme assets | 6,000 | 3,000 |
| | <u> </u> | <u> </u> |
| Total | (51,000) | (44,000) |
| | <u> </u> | <u> </u> |
| Actual return on scheme assets | 4,000 | 6,000 |
| | <u> </u> | <u> </u> |

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

| | 2015 £ | 2014 £ |
|--------------------------------------|-------------------|-------------------|
| Opening defined benefit obligation | 107,000 | 38,000 |
| Current service cost | 51,000 | 44,000 |
| Interest cost | 6,000 | 3,000 |
| Contributions by scheme participants | 12,000 | 10,000 |
| Actuarial Losses | - | 12,000 |
| Benefits paid net of transfers in | (1,000) | - |
| | <u> </u> | <u> </u> |
| Closing defined benefit obligation | 175,000 | 107,000 |
| | <u> </u> | <u> </u> |

EUROPA SCHOOL UK
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. PENSION COMMITMENTS (continued)

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

| | 2015 £ | 2014 £ |
|--|----------------|---------------|
| Opening fair value of scheme assets | 73,000 | 32,000 |
| Expected return on assets | 6,000 | 3,000 |
| Actuarial gains and (losses) | (2,000) | (6,000) |
| Contributions by employer | 35,000 | 34,000 |
| Contributions by employees | 12,000 | 10,000 |
| Benefits paid net of transfers in including unfunded | (1,000) | - |
| | 123,000 | 73,000 |

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was a loss of was £20,000 (2014 - £18,000).

The school expects to contribute £35,000 to its defined benefit pension scheme in 2016.

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

| | 2015 | 2014 |
|--------------------|---------|---------|
| Equities | 66.00 % | 71.00 % |
| Gilts | 12.00 % | 10.00 % |
| Other bonds | 3.00 % | 6.00 % |
| Alternative assets | - % | 2.00 % |
| Property | 7.00 % | 6.00 % |
| Cash | 3.00 % | 5.00 % |

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

| | 2015 | 2014 |
|--|--------|--------|
| Discount rate for scheme liabilities | 4.00 % | 4.00 % |
| Rate of increase in salaries | 4.50 % | 4.50 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.70 % |
| Inflation assumption (CPI) | 2.70 % | 2.70 % |
| Inflation assumptions (RPI) | 3.60 % | 3.50 % |

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

| | 2015 | 2014 |
|----------------------|------|------|
| Retiring today | | |
| Males | 23.3 | 23.2 |
| Females | 25.7 | 25.5 |
| Retiring in 20 years | | |
| Males | 25.5 | 25.4 |
| Females | 28.0 | 27.9 |

EUROPA SCHOOL UK
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

| | 2015 £ | 2014 £ | 2013 £ |
|--|-----------|-----------|-----------|
| Defined benefit obligation | (175,000) | (107,000) | (38,000) |
| Scheme assets | 123,000 | 73,000 | 32,000 |
| Deficit | (52,000) | (34,000) | (6,000) |
| Experience adjustments on scheme liabilities | - | (12,000) | (8,000) |
| Experience adjustments on scheme assets | (2,000) | (6,000) | 2,000 |

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 debts and liabilities contracted before he/she ceases to be a member.

23. 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 governor 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.