
EUROPA SCHOOL UK
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

EUROPA SCHOOL UK
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

A Parker
P Adams (resigned 10 September 2015)
C Della Croce
J Holderness-Laar
K Loudon
A Shorrock
J Weber

Governors

P Ashbourne, Principal and Accounting Officer¹
J Holderness-Laar
A Parker
A Shorrock
J Weber¹
S Purves, Chair of Governors¹
S Kynoch
D Hickman¹
P Smith (resigned 18 January 2016)
R Barter¹
L Griffith, Chair of Finance¹
C Cousineau (resigned 16 November 2015)
A de Vazelhes (appointed 1 September 2015)¹
A Bailey (appointed 14 January 2016)
H Chalmers (appointed 2 February 2016)
K Poetzi (appointed 4 March 2016)

¹ Finance and General Purposes Committee

Company registered number

07649335

Company name

Europa School UK

Principal and registered office

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

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

Company secretary

Oxfordshire Governor Services Clerks

Chief executive officer

P Ashbourne

Senior management team

P Ashbourne, Principal
P Marechau, Head of Primary
M-C Greenwood, Business Manager
N Tanner, Finance and Administration Manager
S Kynock, Early years

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 Cloase, Knowhill, Milton Keynes, MK5 8PA

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. 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 has reached 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.

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

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 that 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 available through the School's subscriptions to 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 Business Manager.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governors consider the Governing Body and the Senior Management Team to comprise the key management personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis. All Governors give of their time freely and no Governor received any remuneration in the current or prior year, other than those Governors who are also employees of the School. Details of Governors' remuneration and expenses are disclosed in note 10 of the financial statements. The pay of the Senior Management Team is reviewed annually by the Board of Governors in line with the School's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

Connected Organisations and Charities, Including Related Parties Relationships

There are no related parties or connected organisations 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 2016

Strategic report

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 pluri-lingual approach, with their own linguistic competence providing a model for pupils. They are completely fluent in the language through which they teach and maintain an immersion approach to language acquisition.

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)
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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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

The main activities of Europa School UK for the year ended 31 August 2016 were as follows:

The school increased its Reception intake for September, 2015, adding 84 pupils in three forms to the existing five year groups of 56 pupils (two forms) each, 364 in total. Demand for Reception continues to be high, again exceeding two applications for every place. Turnover has been low at 4.4% and any places that become available were quickly filled, with at least 20 children on the continued interest list for each year group.

The school is to add a two-form entry secondary section with all year groups in September 2017 and, as the three-form entry advances, it will grow to be an all-through school with a total of 1176 pupils by 2028. Already recognised as an Accredited European School for Primary, our dossiers of conformity for Secondary and the European Baccalaureate have this year been accepted by the Board of Governors of the European Schools. Subject to audit, the school will therefore be an accredited all-through European School 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. Against national measures we are well above average in both attainment and progress in Mathematics. From a starting point of roughly half our intake with English as an Additional Language (EAL), (the National figure is 18%), we also demonstrate strong progress in English Literacy through KS1 with indicators giving confidence for very good attainment by the end of KS2. This is achieved in just two and a half days per week in English. The other half of the week is taught in one of French, German or Spanish with pupils not only achieving an excellent command of the relevant language, but also learning effectively all subject areas in that language.

The percentage of pupils attaining the General Level of Development in the Early Years Profile was 39% compared with a national figure of 69%. The lower score is largely due to the Writing component and reflects our high proportion of English-as-an-Additional-Language pupils, and that half of curriculum time in Reception is spent learning through a language other than English. Our average points score of 33.3 is close to the national average of 34.4. We have 7% more summer born children than the norm in this group and our experience in our school is that initial delay for summer born children is eliminated by Year 4.

The Phonics Check for Year 1 resulted in a 67% success rate. While this is well below the national average 81%, it is achieved on the basis of two and a half days per week. With re-entry in Year 2 we have achieved 85% success compared with 91% nationally. This is in line with expectations for bilingual learning where an early delay is caught up and eventually overtaken.

In the KS1 assessments, our pupils matched local and national results for reaching the expected level in Reading and slightly exceeded them in Writing, but were in a little behind in those working at greater depth. 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 yet again ahead of national and local figures.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

		ESUK	Nat	Oxf
Reading	Greater depth	18%	24%	26%
	>= Expected standard	73%	74%	74%
	< Expected standard	27%	26%	26%
Writing	Greater depth	11%	13%	14%
	>= Expected standard	71%	65%	62%
	< Expected standard	29%	35%	38%
Maths	Greater depth	20%	18%	19%
	>= Expected standard	84%	73%	71%
	< Expected standard	16%	27%	29%

These results confirm last year's figures and demonstrate the success of the model we are using, maintaining our levels against national figures while adding fluency in a second language. In Years 3 and 4 our pupils have made much better than average progress in all three of these assessment areas.

The school has a relatively low number of pupils eligible for the 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.

Currently there are 41 children identified as having SEN, for which they are receiving, or have received additional support. This number is marginally higher than last year. However, some of last year's children no longer need support, while children joining in reception have newly assessed needs. Under the new terminology for SEN, all these children receive 'SEN Support.' There is no distinction made in the reported data as to whether they are receiving, or have received support from professionals outside the school. However, the school records all interventions and professionals involved. Two of these children are recorded as having statements and one child has an EHCP. According to primary need, 75% of the children are supported for Cognition and Learning needs, 5% for Physical Disabilities and 19% for Emotional and Behavioural difficulties. Some of the children are supported for more than one area of learning need. Due to improved early identification, there are 5 children in reception receiving SEN support.

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.

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GOVERNORS' REPORT (continued)
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Key Performance Indicators

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

Staffing costs are monitored as a percentage of total GAG income (General Annual Grant and Start-Up Grant). For the period ended 31 August 2016, staffing costs amounted to 87% of total revenue income.

For the period ended 31 August 2016, the operating surplus before depreciation was £136,733 (2015: £220,994), representing 8% of its incoming resources.

The School 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 exchange with local schools.
- All pupils are tracked and teachers assess their progress using the four point scale of the European Schools, with national tests for baselines and progress accountability. There are termly pupil progress meetings and data is analysed to identify pupils who are at risk of underachievement.
- National assessments: Pupils are assessed against EYFS measures, the national phonics check and KS1 SATs. The results are compared with national and county statistics.
- Attainment is measured against National Curriculum expectations in English literacy, numeracy and science. The European Common Framework is used for French/German literacy for those approaching native speaker level. All areas of the curriculum are reported to parents each semester against the European Schools' four point measure.
- Attendance: ESUK has achieved good attendance rates with 94.4% attendance. 7% persistent absence (defined by the DfE as >10% absence out of the total possible school half-days) is a little high, but does reflect the family situation of a substantial ex-patriot community.
- 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.
- 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 isolated incidents reported over the year have been dealt with by positive reinforcement of good behaviour.
- Performance management: Our appraisal system includes key targets and a regular cycle of lesson observations to ensure that staff receive 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 intends to sign the lease for the whole site for a period of 125 years from September 2017 onwards.

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GOVERNORS' REPORT (continued)
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FINANCIAL REVIEW

The net assets of the School at 31st August 2016 amount to £1,006,638 representing a decrease of £99,335 compared to 31st August 2015. This resulted from a £56,264 surplus from the School's operating activity, actuarial losses of £133,000 on defined benefit pension schemes and a net decrease of £22,599 of the fixed assets fund (capital grants received less depreciation for the year).

95% of the income received in the year relates to grants received from the Education Funding Agency, mainly the General Annual Grant and the Start Up Grant. These are shown as Restricted Funds in the Statement of Financial Activities. The ratio of GAG funding per pupil was £3,535 for the year.

Staff costs of £1,245,891 represent 87% of the School's General Annual Grant & Start up Grant funding.

£64,467 of Capital Grants was received during the year.

Included within the School's balance sheet at year-end is a defined benefit pension scheme liability of £206,000 (2015: £52,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the School.

Reserves Policy

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

The School's current level of reserves is £1,006,638 of which £9,201 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

Investment Policy

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

Principal Risks and Uncertainties

Financial

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

These procedures are now being embedded.

Risk Management

The Governors have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the School has adequate mitigation in place, including insurance cover.

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

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

Funding

The School has almost complete reliance on continued Government funding through the EFA. In the period, nearly all the School's income was Government funded. However, the current freeze on the Government's per pupil education budget, the phased withdrawal of the Educational Services Grant 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.

In order to fund extensive capital developments needed for the opening of the secondary school from September 2017, the School is planning to submit an application to the 2017-18 Condition Improvement Fund by December 2016 for the maximum allowed amount of £4,000,000. In addition, the School will be preparing a second, separate application for the refurbishment of the primary school for an additional £4,000,000 to the 2017-18 condition Improvement Fund.

Liquidity

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

Performance and Achievement

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

Pupil Numbers

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

Staffing

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

Safeguarding and Child Protection

Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Pensions Costs

The Governors recognise that the Local Government Pension Scheme deficit represents an increasingly significant potential liability to the School. However, the Governors consider the School is able to meet its known annual contribution commitments for the foreseeable future.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Failures in Governance and/or Management

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

Reputational

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

Fraud and Mismanagement of Funds

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

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

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

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GOVERNORS' REPORT (continued)
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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. The Dossier of Conformity for the Secondary and the European Baccalaureate was approved in April 2015 at the Board of Governors meeting of the European School System. From September 2017, the School will add a full secondary school with former pupils of the European School of Culham given admission priority for the years 8 to 12. Remaining places will be available through our "in-year" applications handled by Oxfordshire County Council.

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees as the company directors, on 15/12/16 and signed on its behalf by:



S Purves
Chair of Governors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the 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 board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
P Ashbourne, Principal and Accounting Officer	5	5
J Holderness-Larr	5	5
A Parker	4	5
A Shorrock	4	5
J Weber	3	5
S Purves, Chair of Governors	5	5
S Kynoch	4	5
D Hickman	2	2
P Smith	2	2
R Barter	3	5
L Griffith, Chair of Finance	5	5
C Cousineau	0	1
A de Vazelhes	5	5
A Bailey	3	3
H Chalmers	2	2
K Poetzi	2	2

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 six members of the Company 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 end of the academic year 2015/2016, there were 14 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.

The Governing Body is healthy and this school year appointed four new Governors and a new associated member to the Finance Committee.

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GOVERNANCE STATEMENT (continued)

All chairs of the committees are experts in their field.

- The Education Committee is chaired by founding member Jackie Holderness, an Educationalist who 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, Oxford University, 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 is held by Loren Griffith. 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.
- Jutta Weber (founding member) 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.

During the current school year,

Clare Cousineau resigned in November 2015, which resulted in a new parent governor election. Alice Bailey joined the Governing Body in that role in January 2016. Pascale Smith resigned as staff governor in January 2016 and Katarina Poetzi was subsequently elected in March 2016 as a new staff governor. Hamish Chalmers joined as associated member in February 2016 and is acting as advisor on premises considerations.

Further members of the Governing Body in 2015/2016 were:

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

Simon Purves (elected parent Governor) has been the Chair of Governors since October 2015, replacing Jutta Weber. He brings greatly valued insight into current models of governance, as well as a wealth of experience in ICT.

Antoine de Vazelhes, previously associated member of the Finance and General Purpose Committee, joined the Governing Body as Member Governor in September 2015. As Director of Finance Compliance and Risk Management for a global organisation, his insight into both legal and financial matters is a most valuable asset for the Board.

Sarah Kynoch (elected staff governor) is the SENCO of the school and member of the Senior Management Team.

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

Katharina Poetzi (elected staff governor) is now working as a Teacher in the Year 3 and 4 German classes.

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).

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GOVERNANCE STATEMENT (continued)

The key competences of education, finance and regulation are covered by the joint groups of governors and members. We are proud to have such a dedicated and skilful team of volunteers spending many hours in the forward planning and governance of ESUK. All new governors joining 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, April 2016

In April 2016 the Governing Body carried out its annual skills audit, with seven responses from governors. Each question was rated 1-5, with 5 represented the highest level of experience/skill. Areas of particular strength include

- the essential areas (commitment to the school and basic teamwork and IT skills), in which the average across all questions was higher than 4.5
- "holding the Head to account" (communication, analysis, project and performance management), in which the average across all questions was 4.3 or higher
- "vision and strategic planning", in which the average across most questions was 4.3 or higher (exceptions were change management and understanding of current education policy)

The weakest area is "knowing your school and community", in which the average ranged from 2.7 to 3.9. Governors identified links with local businesses and knowledge of the local/regional economy as areas of particular weakness.

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.

2. In 2014/2015 the school achieved full accreditation as a European School, and in October 2016 the school was approved by the European Schools Network to offer the European Baccalaureate. 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 through grant applications and preparations for the opening of the secondary school in 2017 are the priorities for the 2016-17 academic year.

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GOVERNANCE STATEMENT (continued)

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

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 carrying out a staff 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 (FRS 102) 2015, 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;
- 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
P Ashbourne, Principal and Accounting Officer	4	5
J Weber	5	5
S Purves, Chair of Governors	2	5
D Hickman	5	5
R Barter	3	5
L Griffith, Chair of Finance	5	5
C Cousineau	0	1
A de Vazelhes	4	5

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

The Business Manager attended the last two meetings in the financial year following her appointment in April 2016.

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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.

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

Efficient and appropriate use of resources

In September, 2015 the trust added a new Reception group of 84 pupils to the existing groups of 56 promoted to Years 1, 2, 3, 4 and 5 bringing total pupil provision to 364. The school continued to be oversubscribed, with more than two applications for every place and an extensive continued interest list for all year groups. Indeed there was a significant increase in applications for the Reception entry.

The enlarged intake will over the long term take the size of the school to close to 1200, making much better use of the large site, due to come to us in its entirety from September 2017.

Our classrooms are used to their full capacity with classes of 28 throughout and we have a very high rate of room occupancy.

Operating 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 multilingual, multicultural 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 were below the national and local General Level of Development results due to the difficulties in English literacy encountered by a high proportion (nearly 50%) of EAL pupils. Other areas brought the average points score much closer to expected levels. At KS1 the pupils continue to achieve levels that are typical of or better than those attained in the county and nationally, but with Literacy a little below norm and Mathematics well ahead. Against a backdrop of lower scores at EYFS, the high rate of EAL and the fact that English is taught just 2 ½ days a week, this marks excellent progress from EYFS. The progress in literacy seen during KS2 (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 from Year 4 on.

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.

Targeted intervention for those on FSM has led to both their attainment and their progress at the end of the year exceeding that of their peers in each of Mathematics, Reading and Writing.

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GOVERNANCE STATEMENT (continued)

With the large number of EAL pupils and the teaching in English for just half the week pupil progress exceeds the national and local figures. In addition all pupils are following the curriculum in a language other than English and by KS2 most communicate very effectively in both languages.

Financial oversight

Monthly reconciliations, prepared by the finance manager, are reviewed by the Business Manager 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 prior to extended meetings five times a year covering accuracy and appropriate use in line with the mission of the school. The outcomes are then reported to the full governing body.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Europa School UK for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The School's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Critchleys LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 15/12/16 and signed on their behalf, by:



S Purves
Chair of Trustees



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 academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



P Ashbourne
Accounting Officer

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who act as governors of Europa School UK and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 board of trustees on 15/12/16 and signed on its behalf by:



S Purves
Chair of Governors

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EUROPA SCHOOL UK

We have audited the financial statements of Europa School UK for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 22, 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 company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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