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**EUROPA SCHOOL UK**  
**(A company limited by guarantee)**

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the School has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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  
Date: 15/12/16

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

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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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EUROPA SCHOOL UK'S ACCOUNTING OFFICER AND THE  
REPORTING 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our 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.

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

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3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP

Greyfriars Court  
Paradise Square  
Oxford  
OX1 1BE

Date: 15/12/16

**EUROPA SCHOOL UK**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Fixed asset restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and capital grants	2	-	1,761	64,467	66,228	92,642
Charitable activities	3	40,078	1,591,904	-	1,631,982	1,374,501
Investments	4	2,355	-	-	2,355	89
<b>TOTAL INCOME</b>		<b>42,433</b>	<b>1,593,665</b>	<b>64,467</b>	<b>1,700,565</b>	<b>1,467,232</b>
<b>EXPENDITURE ON:</b>						
Educational operations		36,121	1,543,713	87,066	1,666,900	1,324,505
<b>TOTAL EXPENDITURE</b>	7	<b>36,121</b>	<b>1,543,713</b>	<b>87,066</b>	<b>1,666,900</b>	<b>1,324,505</b>
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		6,312	49,952	(22,599)	33,665	142,727
Actuarial losses on defined benefit pension schemes	20	-	(133,000)	-	(133,000)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>6,312</b>	<b>(83,048)</b>	<b>(22,599)</b>	<b>(99,335)</b>	<b>142,727</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		2,889	234,138	868,946	1,105,973	963,246
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>9,201</b>	<b>151,090</b>	<b>846,347</b>	<b>1,006,638</b>	<b>1,105,973</b>

**EUROPA SCHOOL UK**  
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REGISTERED NUMBER: 07649335

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	As restated 2015 £
<b>FIXED ASSETS</b>				
Tangible assets	13		829,615	840,135
<b>CURRENT ASSETS</b>				
Debtors	14	73,923		82,737
Cash at bank and in hand		429,327		323,105
		<u>503,250</u>		<u>405,842</u>
<b>CREDITORS:</b> amounts falling due within one year	15	(120,227)		(88,004)
<b>NET CURRENT ASSETS</b>			383,023	317,838
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,212,638	1,157,973
Defined benefit pension scheme liability	20		<u>(206,000)</u>	<u>(52,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>1,006,638</u>	<u>1,105,973</u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	16	357,090		286,138
Fixed asset restricted funds	16	846,347		868,946
Restricted income funds excluding pension liability		1,203,437		1,155,084
Pension reserve		<u>(206,000)</u>		<u>(52,000)</u>
Total restricted income funds			997,437	1,103,084
Unrestricted income funds	16		9,201	2,889
<b>TOTAL FUNDS</b>			<u>1,006,638</u>	<u>1,105,973</u>

The financial statements were approved by the Governors, and authorised for issue, on 15/12/16 and are signed on their behalf by:

  
**S Purves**  
Chair of Governors

The notes on pages 30 to 48 form part of these financial statements.

**EUROPA SCHOOL UK**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	<i>As restated</i> 2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<b>122,902</b>	<b>118,268</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		(2,355)	(89)
Purchase of tangible fixed assets		(76,546)	(87,944)
Capital grants from DfE/EFA		62,221	92,282
<b>Net cash (used in)/provided by investing activities</b>		<b>(16,680)</b>	<b>4,249</b>
<b>Change in cash and cash equivalents in the year</b>		<b>106,222</b>	<b>122,517</b>
Cash and cash equivalents brought forward		<b>323,105</b>	<b>200,588</b>
<b>Cash and cash equivalents carried forward</b>		<b>429,327</b>	<b>323,105</b>

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**EUROPA SCHOOL UK**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Europa School UK constitutes a public benefit entity as defined by FRS 102.

**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 the Department for Education 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 the funder and include grants from the Department for Education.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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 Interest receivable**

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

**1.8 Debtors**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 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.

**1.12 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 quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**EUROPA SCHOOL UK**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.13 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Fixed asset restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations and capital grants	-	1,761	64,467	66,228	92,642

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds and £92,643 was to restricted funds.

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General annual grant	-	1,286,708	1,286,708	1,042,400
Start up grant	-	159,408	159,408	177,709
Other DfE/EFA grants	-	118,045	118,045	112,196
	-	1,564,161	1,564,161	1,332,305
<b>Other government grants</b>				
Local authority income	-	27,743	27,743	6,475
	-	27,743	27,743	6,475
<b>Other funding</b>				
Other income	40,078	-	40,078	35,721
	40,078	-	40,078	35,721
	40,078	1,591,904	1,631,982	1,374,501

In 2015, of the total income from charitable activities, £35,722 was to unrestricted funds and £1,338,779 was to restricted funds.

**EUROPA SCHOOL UK**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	2,355	-	2,355	89

In 2015, of the total investment income, £ 89 was to unrestricted funds and £ NIL was to restricted funds.

**5. DIRECT COSTS**

	Total 2016 £	As restated Total 2015 £
Educational supplies	42,964	54,141
Other direct costs	37,984	36,818
Recruitment and support	5,702	1,475
Wages and salaries	757,000	538,482
National insurance	47,596	28,439
Pension cost	135,129	91,009
	<b>1,026,375</b>	<b>750,364</b>

**6. SUPPORT COSTS**

	Total 2016 £	As restated Total 2015 £
Other direct costs	905	1,100
Technology costs	1,519	26,358
Rent and rates	120,985	98,727
Insurance	10,212	9,005
Catering	67,921	53,962
Bank interest and charges	198	634
Other support costs	21,347	19,456
Legal and professional	24,206	23,349
Wages and salaries	230,426	209,381
National insurance	22,665	18,507
Pension cost	53,075	37,395
Depreciation	87,066	76,267
	<b>640,525</b>	<b>574,141</b>

**EUROPA SCHOOL UK**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**6. SUPPORT COSTS (continued)**

During the year ended 31 August 2016, the School incurred the following Governance costs:  
£7,905 (2015 - £10,481) included within the table above within legal and professional fees.

**7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	939,725	-	86,650	1,026,375	750,364
Support costs	306,166	120,985	213,374	640,525	572,141
	<u>1,245,891</u>	<u>120,985</u>	<u>300,024</u>	<u>1,666,900</u>	<u>1,322,505</u>

**8. NET INCOMING RESOURCES**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	87,066	76,267
Auditors' remuneration - audit	7,155	6,274
Auditors' remuneration - other services	750	1,320
	<u>94,971</u>	<u>83,861</u>

**EUROPA SCHOOL UK**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	949,546	731,381
Social security costs	70,261	46,945
Operating costs of defined benefit pension schemes	188,204	128,404
	<u>1,208,011</u>	<u>906,730</u>
Supply teacher costs	37,880	16,482
	<u><u>1,245,891</u></u>	<u><u>923,212</u></u>

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

	2016 No.	2015 No.
Management	4	3
Teachers	22	23
Support	22	2
	<u>48</u>	<u>28</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff members amounted to £24,055 (2015 - £20,326).

**10. KEY MANAGEMENT PERSONNEL**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £231,455 (2015: £174,067).

**11. GOVERNORS' REMUNERATION AND EXPENSES**



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2016 £	2015 £
P Ashbourne, Principle and Accounting Officer	Remuneration	80,000-85,000	80,000-85,000
S Kynoch	Remuneration	35,000-40,000	25,000-30,000
P Smith	Remuneration	0-5,000	5,000-10,000
K Poetzl	Remuneration	10,000-15,000	

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

P Ashbourne £10,000 - £15,000 (2015: £10,000 - £15,000)

S Kynoch £5,000 - £10,000 (2015: £0 - £5,000)

P Smith £0 - £5,000 (2015 £0 - £5,000)

K Poetzl £0 - £5,000

During the year, no Governors received any reimbursement of expenses (2015 - £87).

## **12. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees 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 2016 was £262 (2015 - £252).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>					
At 1 September 2015	705,934	88,849	221,626	13,524	1,029,933
Additions	1,631	31,567	43,348	-	76,546
At 31 August 2016	<u>707,565</u>	<u>120,416</u>	<u>264,974</u>	<u>13,524</u>	<u>1,106,479</u>
<b>Depreciation</b>					
At 1 September 2015	37,691	22,759	125,486	3,862	189,798
Charge for the year	15,639	15,063	53,840	2,524	87,066
At 31 August 2016	<u>53,330</u>	<u>37,822</u>	<u>179,326</u>	<u>6,386</u>	<u>276,864</u>
<b>Net book value</b>					
At 31 August 2016	<u>654,235</u>	<u>82,594</u>	<u>85,648</u>	<u>7,138</u>	<u>829,615</u>
At 31 August 2015	<u>668,243</u>	<u>66,090</u>	<u>96,140</u>	<u>9,662</u>	<u>840,135</u>

**14. DEBTORS**

	2016 £	2015 £
VAT Recoverable	8,255	8,626
Other debtors	36,251	59,364
Prepayments and accrued income	29,417	14,747
	<u>73,923</u>	<u>82,737</u>

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

	2016 £	2015 £
Trade creditors	30,109	11,944
Other creditors	-	26
Accruals and deferred income	90,118	76,034
	<u>120,227</u>	<u>88,004</u>

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

	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	37,346	36,372
Resources deferred during the year	31,593	37,346
Amounts released from previous years	(37,346)	(36,372)
Deferred income at 31 August 2016	<u>31,593</u>	<u>37,346</u>

Included within deferred income is £31,593 (2015 - £37,346) which relates to the Universal Infant Free School Meals grant received from the EFA which is to be utilised in the year ending 31 August 2017.

**16. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>					
General Funds - all funds	<u>2,889</u>	<u>42,433</u>	<u>(36,121)</u>	<u>-</u>	<u>9,201</u>
<b>Restricted funds</b>					
General Annual Grant (GAG)	286,138	1,213,351	(1,142,399)	-	357,090
Other DfE/EFA grants	-	350,810	(350,810)	-	-
Local Authority Income	-	27,743	(27,743)	-	-
Other income	-	1,761	(1,761)	-	-
Pension reserve	(52,000)	-	(21,000)	(133,000)	(206,000)
	<u>234,138</u>	<u>1,593,665</u>	<u>(1,543,713)</u>	<u>(133,000)</u>	<u>151,090</u>
<b>Fixed Asset Restricted funds</b>					
Restricted Fixed Asset Funds - all funds	<u>868,946</u>	<u>64,467</u>	<u>(87,066)</u>	<u>-</u>	<u>846,347</u>
Total restricted funds	<u>1,103,084</u>	<u>1,658,132</u>	<u>(1,630,779)</u>	<u>(133,000)</u>	<u>997,437</u>
Total of funds	<u>1,105,973</u>	<u>1,700,565</u>	<u>(1,666,900)</u>	<u>(133,000)</u>	<u>1,006,638</u>

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

**Restricted funds**

The General Annual Grant (GAG) represents funding received from the 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 2016.

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

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**16. STATEMENT OF FUNDS (continued)**

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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**16. STATEMENT OF FUNDS (continued)**

Restricted fixed asset fund

The fixed asset funds represent funding received from the EFA to cover costs in refurbishing the school's buildings, including classrooms and administrative offices.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Fixed asset restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	829,615	829,615	840,135
Current assets	9,201	477,317	16,732	503,250	405,842
Creditors due within one year	-	(120,227)	-	(120,227)	(88,004)
Provisions for liabilities and charges	-	(206,000)	-	(206,000)	(52,000)
	<u>9,201</u>	<u>151,090</u>	<u>846,347</u>	<u>1,006,638</u>	<u>1,105,973</u>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	33,665	142,727
<b>Adjustment for:</b>		
Depreciation charges	87,066	76,267
Dividends, interest and rents from investments	2,355	89
Decrease/(increase) in debtors	8,814	(29,314)
Increase in creditors	32,223	2,781
Capital grants from DfE and other capital income	(62,221)	(92,282)
Pension FRS 102 (FRS17 adjustment)	21,000	18,000
<b>Net cash provided by operating activities</b>	<u>122,902</u>	<u>118,268</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	429,327	323,105
<b>Total</b>	<u>429,327</u>	<u>323,105</u>

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**20. 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 Multi-employer defined benefit pension schemes.

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.

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

The employer's pension costs paid to TPS in the period amounted to £92,343 (2015 - £54,881).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**20. PENSION COMMITMENTS (continued)**

Under the definitions set out in FRS 102, 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.

**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 2016 was £54,000 (2015 - £47,000), of which employer's contributions totalled £41,000 (2015 - £35,000) and employees' contributions totalled £14,000 (2015 - £12,000). The agreed contribution rates for future years are 14.4% for employers and various% for employees.

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

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.20 %</b>	4.00 %
Rate of increase in salaries	<b>4.10 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %
Inflation assumptions (RPI)	<b>- %</b>	- %

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>23.3</b>	23.3
Females	<b>25.8</b>	25.7
Retiring in 20 years		
Males	<b>25.6</b>	25.5
Females	<b>28.1</b>	28.0



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**20. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2016 £</b>	<i>Fair value at 31 August 2015 £</i>
Equities	132,000	82,000
Gilts	25,000	15,000
Property	14,000	8,000
Other	29,000	18,000
	<u>200,000</u>	<u>123,000</u>

The actual return on scheme assets was £22,000.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2016 £</b>	<i>2015 restated £</i>
Current service cost (net of employee contributions)	(61,000)	(51,000)
Net interest cost	(1,000)	(2,000)
	<u>(62,000)</u>	<u>(53,000)</u>
Total	<u>(62,000)</u>	<u>(53,000)</u>
Actual return on scheme assets	<u>22,000</u>	<u>4,000</u>

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

	<b>2016 £</b>	<i>2015 restated £</i>
Opening defined benefit obligation	175,000	107,000
Current service cost	61,000	51,000
Interest cost	7,000	6,000
Contributions by employees	14,000	12,000
Actuarial losses	149,000	-
Benefits paid	-	(1,000)
Changes in financial assumptions	-	-
	<u>406,000</u>	<u>175,000</u>

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**20. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 <i>restated</i> £
Opening fair value of scheme assets	123,000	73,000
Return on plan assets (excluding net interest on the net defined pension liability)	6,000	4,000
Actuarial gains and (losses)	16,000	-
Contributions by employer	41,000	35,000
Contributions by employees	14,000	12,000
Assets acquired in a business combination	-	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>200,000</b>	123,000
	<hr/>	<hr/>

**21. MEMBERS' LIABILITY**

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

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the School's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust 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.

There were no related party transactions in the current or prior year.

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**23. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014 £</b>	<b>31 August 2015 £</b>
Total funds under previous UK GAAP		963,246	1,105,973
Total funds reported under FRS 102		<u>963,246</u>	<u>1,105,973</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>31 August 2015 £</b>
Net income previously reported under UK GAAP		144,727
Changes in recognition of LGPS interest cost	A	(2,000)
		-
Net movement in funds reported under FRS 102		<u>142,727</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. The effect of the change has been to increase the debit to expenses by £2,000 and decrease the debit in other recognised gains and losses in the SoFA by an equivalent amount.
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