
EUROPA SCHOOL UK
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

A Parker
C Della Croce
J Holderness-Laar
K Loudon
A Shorrock
J Weber

Governors

P Ashbourne, Principal and Accounting Officer¹
J Holderness-Laar
A Parker (appointed 7 August 2017, resigned 31 December 2016)
A Shorrock
J Weber (resigned 31 July 2017)¹
S Purves, Chair of Governors¹
S Kynoch
D Hickman (resigned 31 December 2016)¹
A Brent (appointed 20 June 2016)¹
R Barter¹
L Griffith, Chair of Finance (resigned 17 July 2017)¹
L Kan (appointed 31 October 2016)
L McNeill (appointed 26 June 2017)
C Cousineau (resigned 16 November 2015)
A de Vazelhes¹
A Bailey
H Chalmers (resigned 12 April 2017)
K Poetzl (resigned 31 August 2017)

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

Senior management team

P Ashbourne, Principal
P Marechau, Head of Primary
M-C Greenwood, Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary

Oxfordshire Governor Services Clerks

Independent auditors

Whitley Stimpson Limited
Penrose House
67 Hightown Road
Banbury
OX16 9BE

Bankers

Barclays Bank PLC
Marcham Road
Abingdon
Oxfordshire
OX14 1UB

Lloyds Bank Plc
8 Ock Street
Abingdon
Oxfordshire
OX14 5AP

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

Solicitors

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

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report, including a strategic 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 2017

Governors are appointed for a four-year period, except that this time limit does not apply to the Principal.

When appointing new Governors by co-option, 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
- o 2017 Committee – Preparation for the opening of the Secondary School in September 2017.

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 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 did, however, share a site and certain site related costs with the European School, Culham, until 31 August 2017.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

The main activities of Europa School UK for the year ended 31 August 2017 were as follows:

The School started the 2016-17 academic year with a complete Primary section for the first time, as our first cohort from 2012 reached Year 6. The new intake into Reception added 84 pupils, bringing our total size to 448 pupils. As the 2015 change from two-form to three-form entry progresses through the School, the Primary will continue to grow by 28 pupils each year for the next five years. Demand for Reception places continues to be high, again exceeding two applications for every place. Turnover has been low at 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 an entire Secondary section in September 2017 and will grow to be an all-through school with a total of 1,176 pupils by 2028. Recognised as an Accredited European School for Primary and with dossiers by the Board of Governors of the European Schools for Secondary and the European Baccalaureate, the School will, subject to audit, 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. Success in compulsory assessment generally matches or exceeds that of local and national norms, even though our pupils spend only half their time in the English learning context on which the assessments are based.

Roughly half our intake has English as an Additional Language - EAL - (the National figure is 18%) and all pupils are learning in English for half the week. The national measures of literacy must be seen in this light, but the School has shown strong performance over time.

The percentage of pupils attaining the General Level of Development in the Early Years Profile was 57% compared with a national figure of 69% (2015-16 figure). This is a marked improvement on last year, but nonetheless reflects the large number of EAL pupils entering the School and it is in "writing" where the difference from national norms is most evident. Results higher in the School show that this early delay is recovered.

The Phonics Check for Year 1 resulted in a 67% success rate, identical to last year. While this is well below the national average of 81%, it is achieved on the basis of two and a half days per week and in line with expectations for bilingual learning, where an early delay is caught up and eventually overtaken.

In the KS1 assessments, our pupils exceeded the local and national results for reaching the expected level in Reading, Writing and Mathematics. Those attaining the greater depth level were slightly ahead of local and national in Reading and slightly behind in Writing and Mathematics.

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, 4 and 5, our pupils have made much better than average progress in all three of these assessment areas.

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GOVERNORS' REPORT (continued)
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KS1

At or above expected level	National	Local	ESUK
Reading	76%	76%	79%
Writing	68%	66%	73%
Mathematics	75%	75%	82%

At greater depth	National	Local	ESUK
Reading	25%	27%	30%
Writing	16%	16%	14%
Mathematics	21%	20%	18%

KS2

At or above expected level	National	Local	ESUK
Combined	61%	61%	68%
Reading SS	71%		80%
Mathematics SS	75%		80%

At greater depth	National	Local	ESUK
Combined	9%	9%	4%
Reading SS	25%		39%
Mathematics SS	23%		23%

We had our first cohort of pupils taking the KS2 assessments. Our results in Reading and Mathematics were above national standards. The combined Reading, Writing and Mathematics scores were affected by a low number of pupils achieving greater depth in Writing. It is evident that, on this internally graded element, our teachers were more exigent than was the case nationally.

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 50 children identified as having SEN, for which they are receiving, or have received additional and different 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 have an EHCP. According to primary need, 50% of the children are supported for Cognition and Learning needs (C&L), 5% for Physical Disabilities (PD), 24% for Emotional and Behavioural difficulties (SEMH) and 21% for Communication and Interaction (C&I). Some of the children are supported for more than one area of learning need. Due to improved early identification, there are 3 children in Reception receiving SEN support. The split in SEN type is similar to last year, with a rise in C&L, accounted for by the number of children who have received dyslexia assessments in KS2.

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 2017, staffing costs amounted to 88% of this total revenue income.

For the period ended 31 August 2017, the operating surplus before depreciation and LGPS FRS102 pension cost charges was £38,068 (2016: £77,264), representing 2% of its incoming resources.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Other Key Performance Indicators

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

- ESUK follows the European Schools' assessment and reporting systems and the DfE requirements for reporting pupils' progress and attainment. Pupil attainment and progress is assessed by teachers, and moderated by exchange with local schools as well as being subject to the external national assessments.
- 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&2 SATs. The results are compared with national and county statistics.
- Attainment is measured against National Curriculum expectations in English literacy, numeracy and science through the annual GL-Assessment tests. 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 95.5% attendance, improved from last year and better than the national average of 95%. 10.5% 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 expatriate community. It is also better than the national average of 12.4%
- 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 staff have the support and CPD they need to improve and sustain quality.

Going Concern

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

On 4 July 2012, the School entered into a site sharing agreement with the European School, which runs until 31 August 2017. Since 1 September 2017, the School has been occupying the whole site under a Licence to Occupy Agreement between The Secretary of State for Communities and Local Government and Europa School UK. The School intends to sign the lease for the whole site for a period of 125 years as soon as the Licence to Occupy Agreement terminates.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

The net assets of the School at 31 August 2017 amount to £1,008,490 representing an increase of £1,852 compared to 31 August 2016. This resulted from a £38,068 surplus from the School's operating activity, actuarial and pension cost movements on the defined benefit pension scheme of £98,000 and a net increase of £61,783 of the fixed assets fund (capital grants received less fixed asset additions and depreciation charges for the year).

94% of the income received in the year relates to grants received from the Education and Skills 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 £3,776 for the year.

Staff costs of £1,539,397 represent 88% of the School's General Annual Grant & Start up Grant funding.

£112,192 of Capital Grants were received during the year.

Included within the School's balance sheet at year-end is a defined benefit pension scheme liability of £304,000 (2016: £206,000), 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 Governors have determined that the appropriate level of free cash reserves should be approximately 10% of total incoming resources or 1.3 months of costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as long-term staff absences, urgent maintenance, etc.

The School's current level of reserves at 31 August 2017 is £1,008,490 (2016: £1,006,638), of which £404,360 (£2016: £366,291) is represented by total income funds (both restricted and unrestricted) and £14,514 (2016: £9,201) is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

Although the current level of free reserves is significantly below the target level identified above, the Governors continue to look at and evaluate strategies for raising additional income. Since the autumn term of 2017, and whilst the School remains unable to generate income from its site until the long-term lease agreement is signed, the path chosen by the Governors has been to appeal to parents for voluntary contributions. In addition, the Governors are reviewing key areas of operational expenditure and economies have been made since the start of the 2017-18 academic year, particularly in the areas of site maintenance and, to a lesser extent, curriculum resources. With the high level of expenditure associated with the opening of the Secondary school from September 2017, the Governors expect that an operating deficit will be generated in 2017-18. However, the deficit is expected to be more than covered by a combination of existing total income funds brought forward at 1 September 2017 and the fundraising appeal to parents.

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Principal Risks and Uncertainties

Financial

The School's Finance Policies and Procedures Manual, which lays out the framework for the School's financial management, including financial responsibilities of the Governing Body, Principal, Business Manager, Finance Manager and other staff, as well as the delegated authorities for spending, has been updated as per the latest guidance received from ESFA through its Academies Financial Handbook, with an enhanced focus on Internal Controls, Segregation of Duties and Fraud Prevention. 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.

An on going risk management process has been established, identifying risks and their potential impact in a Risk Register, divided in sub-sections for dedicated ownership and monitoring by the various Committees of the Governing Body.

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

Funding

The School has almost complete reliance on continued Government funding through the ESFA. 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 twice per term, reviewing performance against budgets.

Regarding the funding of extensive capital developments, the two separate applications for £4,000,000 each to the 2017-18 Condition Improvement Fund made by the School in December 2016 were unsuccessful. With the objective of refurbishing the science laboratory facilities, the School launched a fundraising appeal to parents in the spring of 2017 and raised £47,030. The refurbishment of the biology science laboratory was completed in August 2017, as well as the part-refurbishment of a general science room.

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 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.

PLANS FOR FUTURE PERIODS

The School strives to continually improve levels of attainment for all pupils. The School will continue its expansion to three-from entry throughout the Primary School, as well as the opening of the full Secondary School from ages 11-19 when the European School closes in August 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 13. Remaining places will be available through our "in-year" applications handled by Oxfordshire County Council.

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GOVERNORS' REPORT (continued)
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FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

DISCLOSURE OF INFORMATION TO AUDITORS

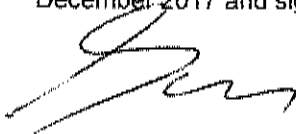
Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have 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.

AUDITORS

Whitley Stimpson Ltd were newly appointed as Auditors during the financial year under review and succeeded Critchleys LLP. Whitley Stimpson Ltd, have indicated their willingness to continue in office. The Governors will propose a motion re appointing the Auditors at a meeting of the Governors.

The Governors' Report was approved by order of the Governing Body, as the company directors, on 14 December 2017 and signed on its behalf by:



S Purves
Chair of Governors

EUROPA SCHOOL UK
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Europa School UK and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

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

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 2016/2017, there were 13 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.

EUROPA SCHOOL UK
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GOVERNANCE STATEMENT (continued)

The Governing Body is healthy and this school year appointed three new Governors. 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 and multilingual and education.
- The Premises and Liaison Committee is co-chaired by Lydia Kan, an architect, and Alice Bailey, a lawyer. The professional experience of both Chairs provides valuable expertise at a time of preparation for the negotiations for the site lease and occupancy of the whole site.
- The Chair of the Finance and General Purposes Committee was held by Loren Griffith until July 2017, when he moved back to the USA with his family. His role as Director of International Strategy, Oxford University, as well as his legal qualifications and policy development experience brought all expected skills for this key position. Since July 2017, Antoine de Vazelhes has been the new Chair: previously Director of Finance Compliance and Risk Management for a global organisation, his insight into both legal and financial matters is a most valuable asset to the Board.
- The 2017 Committee is chaired by Antonella Shorrocks (Founding Member and Governor), a qualified coach, interpreter and expert in European education.

During the current school year:

Jutta Weber, a Founding Member with substantial knowledge of the European Schools system, resigned in July 2017 to return to her position as civil servant (Auditor) of the German Finance authorities.

Damian Hickman (Co-opted Governor) resigned as Coordinator of the Fundraising Committee in December 2016. A new Parent Governor election took place at the start of the academic year and Lydia Kan joined the Governing Body in that role in October 2016. Katarina Poetzl was a Staff Governor throughout the year until her resignation at the end of August 2016 to return to her teaching career in Germany. Hamish Chalmers (Co-opted Governor) resigned in April 2017.

Luke McNeill (Co-opted Governor since June 2017) has been appointed to coordinate the Fundraising Committee, which is separate from the Governing Body. As a professional scientist from a high-pressure sector, Luke has been instrumental in the refurbishment project of the science laboratories.

Dr Andrew Brent was appointed a Governor by Members in June 2017. Andrew combines a strong interest in science with a passion for education. Currently Consultant Physician and Honorary Senior Clinical Lecturer in Infectious Diseases and Internal Medicine at the University of Oxford, he brings a strong commitment to the core values of the School.

Further members of the Governing Body in 2016/2017 were:

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

Sarah Kynoch (elected Staff Governor) is the SENCO of the School and part of the Senior Management Team.

Professor Andrew Parker, Professor of Physiology and Principal Bursar at St John's College, Oxford University, resigned in December 2016, but subsequently re-joined the Governing Body in August 2017. He remains the Chair of Founding Members.

Finally, Robin Barter remains a Co-opted Governor, bringing much-valued skills in the field of commercial contracts and contract terms negotiations.

GOVERNANCE STATEMENT (continued)

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.

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

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

Full Governing Body Skills Audit

The last audit of the skills present within the Governing Body was carried out in April 20, 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 of 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 due to join the Secondary school in September 2017 has been successfully presented, with high retention levels of students expected. In addition, the former Head of Secondary at ESC will be joining ESUK from September 2017, ensuring a smooth transition between the two schools at Secondary level.

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.

EUROPA SCHOOL UK
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GOVERNANCE STATEMENT (continued)

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, subject to a maintenance plan and financial undertakings being presented by the DfE and approved by the Governing Body.

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 a substantial 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 carried out a staff survey during the 2016-17 academic year, 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
L Griffith	5	5
A de Vazelhes	5	5
P Ashbourne, Principal and Accounting Officer	4	5
J Weber	4	5
S Purves	3	5
R Barter	3	5
D Hickman	1	2
A Brent	1	1

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GOVERNANCE STATEMENT (continued)

The Business Manager also attended all five meetings during the year.

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 Governing Body 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 2016, the Trust added a new Reception group of 84 pupils to the existing groups of 84 promoted to Year 1 and 56 promoted to Years 2, 3, 4, 5 and 6, bringing total pupil provision to 448. 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 1,200, 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, with all classrooms used throughout the week and smaller breakout spaces in frequent use despite the difficulties of the site layout.

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 multi-lingual, multi-cultural school.

The Europa School has worked 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.

At £3,397 per pupil, Europa School UK's school block allocation is the lowest of any Free School in the country. Despite the low level, the funding is used to provide an additional 120 hours per year in KS1 and 80 hours in KS2 compared with a typical UK Primary school. This allows the effective 50/50 split between learning through English and learning through one of French, German and Spanish. Cost effectiveness is supported by a flat management structure and excellent commitment of staff.

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.

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GOVERNANCE STATEMENT (continued)

Against a backdrop of lower scores at EYFS, the high rate of EAL and the fact that English is taught just 2½ days a week, this marks excellent progress from EYFS. The progress in literacy during KS2, as seen in KS2 Reading results, is well ahead of national norms and shows the benefit of bilingual education by this stage, also leading to strong progress in Mathematics.

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. An audit of the Primary section by European Schools inspectors led to a strong recommendation for renewal of Primary accreditation.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

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

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GOVERNANCE STATEMENT (continued)

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Whitley Stimpson Limited, the external auditor, to perform additional checks.

The Auditors' role includes giving advice on financial matters and performing a range of checks on the School's financial systems.

On an annual basis, the internal auditor reports to the Governing Body through the Finance and General Purposes committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. No major issues were identified. However, the Auditors suggested recommendations in three areas mainly aimed at ensuring processes and controls are put in place as the School expands and also to ensure a better segregation of duties. These recommendations have been addressed during the course of the 2017-17 financial year.

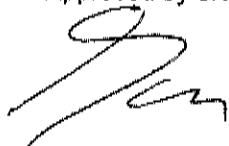
REVIEW OF EFFECTIVENESS

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

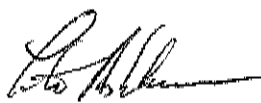
- the work of the external auditors;
- the work of the Managers and Governors within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 14 December 2017 and signed on their behalf, by:



S Purves
Chair of Trustees



P Ashbourne
Accounting Officer

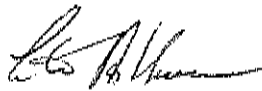
EUROPA SCHOOL UK
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Europa School UK I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.



P Ashbourne
Accounting Officer

Date: 14 December 2017

EUROPA SCHOOL UK
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

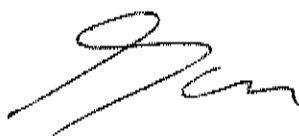
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 14 December 2017 and signed on its behalf by:



S Purves
Chair of Governors

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

OPINION

We have audited the financial statements of Europa School UK for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the School ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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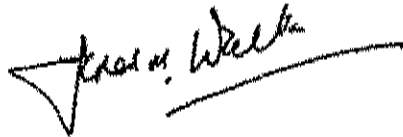
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EUROPA
SCHOOL UK**

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' report.



Jonathan Mark Walton ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Whitley Stimpson Limited

Penrose House
67 Hightown Road
Banbury
OX16 9BE

20 December 2017

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

In accordance with the terms of our engagement letter dated 17 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Europa School UK and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Europa School UK and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF EUROPA SCHOOL UK'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Europa School UK's funding agreement with the Secretary of State for Education dated 28 June 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included:

- A review of internal control policies and procedures implemented by the School and an evaluation of their design and effectiveness to understand how the School has complied with the framework of authorities;
- A review of the minutes of meetings of the Governors, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;

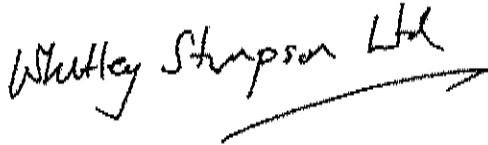
EUROPA SCHOOL UK
(A Company Limited by Guarantee)

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

- Enquiries of the Accounting Officer, including a review of the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the School based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Whitley Stimpson Limited

Penrose House
67 Hightown Road
Banbury
OX16 9BE

20 December 2017

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Fixed asset restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	2	-	8,185	145,584	153,769	66,228
Charitable activities	3	46,941	1,913,487	-	1,960,428	1,631,982
Investments	4	89	-	-	89	2,355
TOTAL INCOME		47,030	1,921,672	145,584	2,114,286	1,700,565
EXPENDITURE ON:						
Charitable activities		41,717	1,965,916	83,801	2,091,434	1,666,900
TOTAL EXPENDITURE	5	41,717	1,965,916	83,801	2,091,434	1,666,900
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	19	5,313	(44,244)	61,783	22,852	33,665
		-	(21,000)	-	(21,000)	(133,000)
NET MOVEMENT IN FUNDS		5,313	(65,244)	61,783	1,852	(99,335)
RECONCILIATION OF FUNDS:						
Total funds brought forward		9,201	151,090	846,347	1,006,638	1,105,973
TOTAL FUNDS CARRIED FORWARD		14,514	85,846	908,130	1,008,490	1,006,638

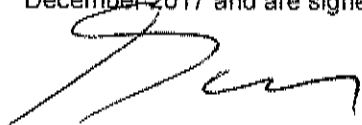
The notes on pages 30 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		896,532		829,615
CURRENT ASSETS					
Debtors	13	189,747		73,923	
Cash at bank and in hand		429,050		429,327	
		<u>618,797</u>		<u>503,250</u>	
CREDITORS: amounts falling due within one year	14	(202,839)		(120,227)	
NET CURRENT ASSETS			415,958		383,023
TOTAL ASSETS LESS CURRENT LIABILITIES			1,312,490		1,212,638
Defined benefit pension scheme liability	19		(304,000)		(206,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			1,008,490		1,006,638
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	389,846		357,090	
Fixed asset restricted funds	15	908,130		846,347	
Restricted income funds excluding pension liability		<u>1,297,976</u>		<u>1,203,437</u>	
Pension reserve		(304,000)		(206,000)	
Total restricted income funds			993,976		997,437
Unrestricted income funds	15		14,514		9,201
TOTAL FUNDS			1,008,490		1,006,638

The financial statements on pages 27 to 48 were approved by the Governors, and authorised for issue, on 14 December 2017 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
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>4,947</u>	<u>122,902</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		(89)	(2,355)
Purchase of tangible fixed assets		(150,719)	(76,546)
Capital grants from DfE/ESFA and other funders		<u>145,584</u>	<u>62,221</u>
Net cash used in investing activities		<u>(5,224)</u>	<u>(16,680)</u>
Change in cash and cash equivalents in the year		(277)	106,222
Cash and cash equivalents brought forward		<u>429,327</u>	<u>323,105</u>
Cash and cash equivalents carried forward		<u><u>429,050</u></u>	<u><u>429,327</u></u>

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

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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.

1.3 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.

1.4 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 Education and Skills Funding Agency 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 Education and Skills Funding Agency.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 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 receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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.

1.6 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.

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

All expenditure is inclusive of irrecoverable VAT.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these 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

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.

1.8 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.

1.9 Debtors

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

1.10 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.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

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

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

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

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgment:

There are no key judgements that the academy has made which have a significant effect on the financial statements.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Fixed asset restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations and capital grants	-	8,185	145,584	153,769	66,228
<i>Total 2016</i>	-	1,761	64,467	66,228	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant	-	1,556,957	1,556,957	1,286,709
Start up grant	-	193,199	193,199	159,408
Other DfE/ESFA grants	-	134,819	134,819	118,045
	-	1,884,975	1,884,975	1,564,162
Other government grants				
Local Authority grants	-	11,312	11,312	27,743
	-	11,312	11,312	27,743
Other funding				
Other income	46,941	-	46,941	40,077
Erasmus Grant	-	17,200	17,200	-
	46,941	17,200	64,141	40,077
	46,941	1,913,487	1,960,428	1,631,982
<i>Total 2016</i>	40,078	1,591,905	1,631,983	

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Investment income	89	-	89	2,355
<i>Total 2016</i>	2,355	-	2,355	

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Academy's educational operations:					
Direct costs	1,107,387	-	187,692	1,295,079	1,026,375
Support costs	432,010	178,419	185,926	796,355	640,525
	1,539,397	178,419	373,618	2,091,434	1,666,900
<i>Total 2016</i>	1,245,891	120,985	300,024	1,666,900	

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. SUPPORT COSTS

	Total 2017 £	<i>Total 2016 £</i>
LGPS FRS102 pension interest costs	4,000	<i>1,000</i>
Other direct costs	315	<i>905</i>
Technology costs	14,740	<i>1,519</i>
Rent and rates	159,878	<i>120,985</i>
Insurance	11,620	<i>10,212</i>
Catering	81,037	<i>67,921</i>
Bank interest and charges	117	<i>198</i>
Other support costs	31,677	<i>20,347</i>
Legal, professional and governance	50,160	<i>24,206</i>
Wages and salaries	289,049	<i>230,426</i>
National insurance	29,856	<i>22,665</i>
Pension cost	40,105	<i>53,075</i>
Depreciation	83,801	<i>87,066</i>
	<hr/>	<hr/>
Subtotal	796,355	<i>640,525</i>
Other support costs	-	<i>1,000</i>
	<hr/>	<hr/>
	796,355	<i>641,525</i>
	<hr/> <hr/>	<hr/> <hr/>
<i>At 31 August 2016</i>	<i>640,525</i>	<hr/> <hr/>

7. NET INCOMING RESOURCES

This is stated after charging:

	2017 £	<i>2016 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	83,802	<i>87,066</i>
Auditors' remuneration - audit	5,000	<i>7,155</i>
Auditors' remuneration - other services	8,000	<i>750</i>
	<hr/> <hr/>	<hr/> <hr/>

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,151,458	949,546
Social security costs	95,987	70,261
Operating costs of defined benefit pension schemes	253,252	188,204
	<u>1,500,697</u>	<u>1,208,011</u>
Supply teacher costs	38,700	37,880
	<u><u>1,539,397</u></u>	<u><u>1,245,891</u></u>

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

	2017 No.	2016 No.
Management	4	4
Teachers	21	22
Support	17	22
	<u>42</u>	<u>48</u>

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

	2017 No.	2016 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 2017, pension contributions for these staff members amounted to £24,296 (2016 - £24,055).

9. KEY MANAGEMENT PERSONNEL

The key management personnel of the School comprise 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 School during the year was £268,315 (2016: £231,455).

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. GOVERNORS' REMUNERATION AND EXPENSES

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:

		2017	2016
		£	£
P Ashbourne, Principal	Remuneration	80,000-85,000	<i>80,000-85,000</i>
	Pension contributions paid	10,000-15,000	<i>10,000-15,000</i>
S Kynoch	Remuneration	30,000-35,000	<i>35,000-40,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
P Smith	Remuneration	-	<i>0-5,000</i>
	Pension contributions paid	-	<i>0-5,000</i>
K Poetzl	Remuneration	25,000-30,000	<i>10,000-15,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>

During the year ended 31 August 2017, expenses totalling £129 were reimbursed to 2 Governors (2016 - Nil).

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £575 (2016 - £262).

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost					
At 1 September 2016	707,565	120,416	264,974	13,524	1,106,479
Additions	-	8,920	100,210	41,589	150,719
At 31 August 2017	<u>707,565</u>	<u>129,336</u>	<u>365,184</u>	<u>55,113</u>	<u>1,257,198</u>
Depreciation					
At 1 September 2016	53,330	37,822	179,326	6,386	276,864
Charge for the year	18,541	16,703	47,000	1,558	83,802
At 31 August 2017	<u>71,871</u>	<u>54,525</u>	<u>226,326</u>	<u>7,944</u>	<u>360,666</u>
Net book value					
At 31 August 2017	<u>635,694</u>	<u>74,811</u>	<u>138,858</u>	<u>47,169</u>	<u>896,532</u>
At 31 August 2016	<u>654,235</u>	<u>82,594</u>	<u>85,648</u>	<u>7,138</u>	<u>829,615</u>

On 4 July 2012, the School entered into a site sharing agreement with the European School, which ran until 31 August 2017. Since 1 September 2017, the School has been occupying the whole site under a Licence to Occupy Agreement between The Secretary of State for Communities and Local Government and Europa School UK. The School intends to sign the lease for the whole site for a period of 125 years as soon as the Licence to Occupy Agreement terminates.

13. DEBTORS

	2017 £	2016 £
VAT Recoverable	24,962	8,256
Other debtors	94,313	36,250
Prepayments and accrued income	70,472	29,417
	<u>189,747</u>	<u>73,923</u>

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	22,268	30,109
Other taxation and social security	24,011	-
Other creditors	27,404	-
Accruals and deferred income	129,156	90,118
	202,839	120,227
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	31,593	37,346
Resources deferred during the year	52,513	31,593
Amounts released from previous years	(31,593)	(37,346)
	52,513	31,593

Included within deferred income is £52,513 (2016 - £31,593) which relates to the Universal Infant Free School Meals grant received from the ESFA which is to be utilised in the year ending 31 August 2017.

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds					
General funds	9,201	47,030	(41,717)	-	14,514
	9,201	47,030	(41,717)	-	14,514
Restricted funds					
General Annual Grant (GAG)	357,090	1,556,957	(1,540,453)	-	373,594
Start up Grant	-	193,199	(193,199)	-	-
Other DfE/EFA grants	-	134,819	(134,819)	-	-
Local Authority grants	-	11,312	(11,312)	-	-
Other income	-	25,385	(9,133)	-	16,252
Pension reserve	(206,000)	-	(77,000)	(21,000)	(304,000)
	151,090	1,921,672	(1,965,916)	(21,000)	85,846

EUROPA SCHOOL UK
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. STATEMENT OF FUNDS (continued)

Fixed Asset Restricted funds

Fixed asset funds	846,347	145,584	(83,801)	-	908,130
Total restricted funds	<u>997,437</u>	<u>2,067,256</u>	<u>(2,049,717)</u>	<u>(21,000)</u>	<u>993,976</u>
Total of funds	<u><u>1,006,638</u></u>	<u><u>2,114,286</u></u>	<u><u>(2,091,434)</u></u>	<u><u>(21,000)</u></u>	<u><u>1,008,490</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds					
General funds	2,889	42,433	(36,121)	-	9,201
	<u>2,889</u>	<u>42,433</u>	<u>(36,121)</u>	<u>-</u>	<u>9,201</u>
Restricted funds					
General Annual Grant (GAG)	286,138	1,213,351	(1,142,399)	-	357,090
Other DfE/ESFA 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>
Fixed Asset Restricted funds					
Fixed asset funds	868,946	64,467	(87,066)	-	846,347
	<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><u>1,105,973</u></u>	<u><u>1,700,565</u></u>	<u><u>(1,666,900)</u></u>	<u><u>(133,000)</u></u>	<u><u>1,006,638</u></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 ESFA 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. STATEMENT OF FUNDS (continued)

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

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

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

The pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset fund

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Fixed asset restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	896,533	896,533
Current assets	14,514	592,685	11,597	618,796
Creditors due within one year	-	(202,839)	-	(202,839)
Provisions for liabilities and charges	-	(304,000)	-	(304,000)
	<u>14,514</u>	<u>85,846</u>	<u>908,130</u>	<u>1,008,490</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Fixed asset restricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	-	-	829,614	829,614
Current assets	9,201	477,317	16,733	503,251
Creditors due within one year	-	(120,227)	-	(120,227)
Provisions for liabilities and charges	-	(206,000)	-	(206,000)
	<u>9,201</u>	<u>151,090</u>	<u>846,347</u>	<u>1,006,638</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	22,852	33,665
Adjustment for:		
Depreciation charges	83,802	87,066
Dividends, interest and rents from investments	89	2,355
(Increase)/decrease in debtors	(115,824)	8,814
Increase in creditors	82,612	32,223
Capital grants from DfE/ESFA and other capital income	(145,584)	(62,221)
FRS 102 pension scheme cost adjustments	77,000	21,000
Net cash provided by operating activities	4,947	122,902

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	429,050	429,327
Total	429,050	429,327

19. 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 2016.

Contributions amounting to £25,846 were payable to the schemes at 31 August 2017 (2016 - Nil) and are included within creditors.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 is currently underway based on April 2016 data, 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 £134,011 (2016 - £92,343).

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).

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 2017 was £74,000 (2016 - £55,000), of which employer's contributions totalled £55,000 (2016 - £41,000) and employees' contributions totalled £19,000 (2016 - £14,000). The agreed contribution rates for future years are 19.3% for employers and 5.5% to 12.5% for employees.

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

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

Principal actuarial assumptions:

	2017	<i>2016</i>
Discount rate for scheme liabilities	2.60 %	<i>2.20 %</i>
Rate of increase in salaries	4.20 %	<i>4.10 %</i>
Rate of increase for pensions in payment / inflation	2.70 %	<i>2.30 %</i>

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

	2017	<i>2016</i>
Retiring today		
Males	23.4	<i>23.3</i>
Females	25.5	<i>25.8</i>
Retiring in 20 years		
Males	25.7	<i>25.6</i>
Females	27.9	<i>28.1</i>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities (i.e. the defined benefit obligations) are as follows:

Sensitivities	At 31 August 2017	<i>At 31 August 2016</i>
	£	£
Discount rate +0.1%	(533,000)	<i>(393,000)</i>
Discount rate -0.1%	(568,000)	<i>(419,000)</i>
Mortality assumption - 1 year increase	(568,000)	<i>(416,000)</i>
Mortality assumption - 1 year decrease	(533,000)	<i>(396,000)</i>
CPI rate +0.1%	(567,000)	<i>(418,000)</i>
CPI rate -0.1%	(534,000)	<i>(394,000)</i>

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

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	152,000	<i>132,000</i>
Gilts and bonds	49,000	<i>32,000</i>
Property	16,000	<i>14,000</i>
Cash and other liquid assets	9,000	<i>7,000</i>
Other assets	20,000	<i>15,000</i>
	<hr/>	<hr/>
Total market value of assets	246,000	<i>200,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £31,000 (2016 - £22,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	<i>2016 £</i>
Current service cost	(128,000)	<i>(61,000)</i>
Net interest cost	-	<i>(1,000)</i>
Net interest cost	(4,000)	<i>-</i>
	<hr/>	<hr/>
Total	(132,000)	<i>(62,000)</i>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	31,000	<i>22,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £	<i>2015 restated £</i>
Opening defined benefit obligation	406,000	<i>175,000</i>
Current service cost	128,000	<i>61,000</i>
Interest cost	9,000	<i>7,000</i>
Employee contributions	19,000	<i>14,000</i>
Actuarial (gains)/losses	(12,000)	<i>149,000</i>
	<hr/>	<hr/>
Closing defined benefit obligation	550,000	<i>406,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

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

	2017	<i>2015</i>
	£	<i>restated</i>
		£
Opening fair value of scheme assets	200,000	<i>123,000</i>
Interest income	5,000	<i>6,000</i>
Actuarial gains/(losses)	(33,000)	<i>16,000</i>
Employer contributions	55,000	<i>41,000</i>
Employee contributions	19,000	<i>14,000</i>
	<hr/>	<hr/>
Closing fair value of scheme assets	246,000	<i>200,000</i>
	<hr/> <hr/>	<hr/> <hr/>

20. 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.

21. 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.

The following related party transactions took place during the year:

The spouse of P Marechau, the Head of Primary and a member of the key management personnel of the School, is employed as a teacher by the School. The total cost to the School of her employment, including employers pension contributions, during the year ended 31 August 2017 was £28,075 (2016 - £44,560)