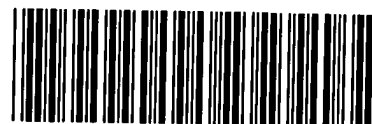


Company Registration Number: 07649335 (England & Wales)

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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EUROPA SCHOOL UK
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Governors

L Wood, Principal and Accounting Officer (appointed 1 September 2018)¹
A Parker, Chair of Governors (resigned 7 May 2019)¹
A Brent, Chair of Governors (from 8 May 2019)¹
A Shorrock, Deputy Chair of Governors
J Holderness-Laar
S Purves (appointed 31 October 2018)¹
S Kynoch
L Kan
R Barter¹
L McNeill (resigned 30 September 2018)
A de Vazehles (resigned 31 August 2019)¹
A Bailey
E Cristofori (resigned 1 July 2019)
S Philippot-Gasc

¹ Member of the Finance, Audit and General Purposes Committee

Company registered number

07649335

Company name

Europa School UK

Principal and registered office

Culham, Abingdon, Oxfordshire, OX14 3DZ

Senior management team

L Wood, Principal
P Marechau, Head of Primary
S Kynock, Early Years and Assistant Head of Primary
M-C Greenwood, Director of Finance and Operations
A Cole-Morgan, HR and School Development Manager

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors

Cooper Parry Group Ltd, Park View, One Central Boulevard, Blythe Valley Park, Solihull, West Midlands, B90 8BG

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

Knights plc, Midland House, West Way, Botley, Oxford, OX2 0PH

Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

EUROPA SCHOOL UK
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The principal activity of the charitable company is 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, leading to the European Baccalaureate qualification. Europa School UK has been an all-through (4 to 19 years old) school since September 2017, with 538 and 364 pupils currently enrolled in Primary and Secondary respectively based on the Autumn 2019 Census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Europa School UK ('the Company', 'the Academy Trust', 'the School') 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 and to the date of approval of this report and financial statements 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

The School has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members and Governors from claims arising from negligent acts, errors or omissions whilst on Trust business. The scheme provides cover up to £10,000,000.

Method of Recruitment and Appointment or Election of Governors

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

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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

Governors are appointed for a four-year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

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

Policies and Procedures Adopted for the Induction and Training of Governors

The School has subscribed to the Oxfordshire Governors' Services run by Oxfordshire County Council which offers an extensive training program for Governors and Clerks locally and online. 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. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Governors, through both an internal shared drive facility and the Oxfordshire County Council Governors' Hub. Members of the Finance, Audit and General Purposes Committee have enrolled to attend the DfE funded Integrated Curriculum Financial Planning training early in 2020.

Organisational Structure

The Governing Body oversees the management, approves strategy and policies and monitors performance. The Governors are responsible for adopting a three-year financial and development plan and an annual budget, approving the annual statutory accounts, monitoring the School by the use of management accounts and other data, and making the major decisions about the direction of the School, capital expenditure and staff appointments.

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 four Committees, each one having its own terms of reference detailing the responsibilities discharged to it:

- 1) Premises and Liaison
- 2) Finance, Audit and General Purposes
- 3) Primary Education – Curriculum, Standards, Teaching and Learning
- 4) Secondary Education – Curriculum, Standards, Teaching and Learning.

A Fundraising Committee has been established as a working group to promote development and income-generating initiatives during the period.

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, an Assistant Head of Primary, a Director of Finance and Operations and a HR and School Development Manager. The Senior Management Team implements the policies laid down by the Governors and reports back to them on performance.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 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.

Related Parties and Other Connected Organisations

There are no related parties or connected organisations that either controlled or significantly influenced the decisions and operations of the School during the period.

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 Sciences.

Objectives, Strategies and Activities

The key priorities for the period are contained in the Trust's Development Plan which is available from the Principal.

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, to be taken in the last year of Secondary;
- 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;

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- 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 School is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

Public Benefit

The Governors have complied with the requirement of section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the School. The School meets a demand from families living in the area for a School offering a multi lingual education. 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 School.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

The main activities of Europa School UK for the year ended 31 August 2019 were as follows:

2018-19 was the second year of operation of the all-through School offering European School education in Oxfordshire. Places in Secondary Years 9-13 had been taken up in 2017 mostly by former pupils of the European School, Culham, under the agreement setting-up Europa School UK, but also by attracting students from across the local area, a situation accommodated by allowing up to 60 per year group. Given the very specific nature of the European Baccalaureate, particularly the language demands, there were only a few enquiries for the spare places in Years 11-13, but with the Primary section again at full capacity, the total School roll reached 865 of the potential 924 places.

Europa School UK enlarged its intake at Reception from 56 to 84 four years ago and will therefore continue to grow to a full three-form entry all-through School. The Governing Body agreed to increase the PAN in Reception to 90 starting from September 2019. Demand for places is strong with a 100% over-subscription rate at Reception level.

The School successfully passed inspections confirming further accreditation for the whole School, including the European Baccalaureate. The School also obtained a Good overall rating during its section 8 OFSTED inspection in December 2018.

Europa School UK has enhanced the European Schools' curriculum to meet the national statutory assessment arrangements. Pupils are learning the full curriculum through two languages throughout the Primary 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Multi-lingual education continues in Secondary, by subject specialism, with Human Sciences studied in the second language along with the language itself being compulsory right through to the Baccalaureate. A third language is compulsory from Year 7 to Year 11 and may be continued for the Baccalaureate. Roughly half our intake has English as an additional language (EAL), the national figure being 18%, and all Primary pupils are learning in a language other than English for half the week. The performance against national measures of literacy must be seen in this light, but the School continues to show added value in this area.

The percentage of pupils attaining the General Level of Development in the Early Years Profile was 63%, compared to the national figure of 71.5%. The impact of EAL is evident in the results for Reading and Writing, 73% and 63% against 76.9% and 73.7% respectively for success nationally, whereas in all other areas, our pupils were in line or ahead of the national figures. Our pupils' average point score was 35.1, exceeding the national average of 34.6.

The Phonics Check for Year 1 resulted in an 80% success rate, four points higher than last year and approaching the national figure of 82%. By the end of Year 2, 96% of the cohort reached the standard compared to 91% nationally.

In the KS1 assessments, our pupils were largely well above national results (interim) except for English Writing:

Subject	% Achieving the Expected Standard	% Nationally	% at Greater Depth	% at Greater Depth Nationally
English Reading	80%	75%	24%	25%
English Writing	66%	69%	16%	15%
Mathematics	89%	76%	26%	22%
Science	88%	82%	N/A	N/A

Given the context of the School and the high level achieved in French, German or Spanish by our pupils, these results represent excellent work during the first three years of schooling. That our model is working exceptionally well is confirmed by the KS2 results, where pupils have clearly moved ahead of the norm. These results confirm last year's figures and demonstrate the success of the model we are using, maintaining our level against national figures, while adding fluency in a second language, and taking into account that pupils have a third or even fourth language in the home.

Subject	% Pupils Achieving the Expected Standard: School 2019	% Pupils Achieving the Expected Standard: National 2019	% with Greater Depth: School 2019	% with Greater Depth: Nationally 2019
English Reading	87%	73%	35%	27%
English Grammar	85%	78%	44%	36%
Mathematics	84%	79%	31%	27%
English Writing (Teacher Assessed)	84%	78%	24%	20%
Science (Teacher Assessed)	91%	83%	N/A	N/A
Expected Standard in Reading, Writing and Mathematics	71%	65%	9%	11%

A particular improvement at both KS1 and 2 is the increased proportion of students working at greater depth or significantly exceeding expectations. During last years' OFSTED inspection, the inspectors challenged the School to work on securing this standard and it's very satisfying to see that we are making significant improvements. The School is still below national averages in achieving greater depth across all areas.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

In 2018-19, we trialled a standardized progress assessment in Secondary Years 2 and 3 in English and Mathematics. The results indicated impressive progress made across both Year groups with average attainment suggesting we were placed in the top 20% of all schools. The results also indicated that if we had a GCSE programme, 96% of our students would achieve a good pass (grades 5-9) in both subjects.

The School is unique in the UK in following the European Schools' programme, culminating in the European Baccalaureate at age 18. In the absence of GCSE results, the School has been set two targets by the DfE to prove pupil progress. The academic performance target is to achieve an average Baccalaureate score in the top half of all European Schools and the retention target is for 90% continuing in education from Year 11 to Year 12. Both these targets were met last year, with the academic target largely exceeded, Europa School UK figuring 9th out of the Baccalaureate results for the 23 participating schools.

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 similar, and in some cases, better progress than their peers.

We have a qualified SENCO in place in Primary 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 57 Primary 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. One child in Primary has an EHCP and 2 children in Year 5 have recently been awarded EHCP's, via a legal process. According to Primary need, 49% of the children are supported for Cognition and Learning needs (C&L), 37% for Emotional and Behavioural difficulties (SEMH) and 14% 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, we currently support five children in Reception. The split in SEN type is similar to last year, with a rise in SEMH and fewer C&I children.

We have a Secondary SENCO in place who is completing the required training programme.

In Secondary, there are 57 students identified as having SEN, for which they are receiving, or have received, additional and differentiated support. This number is higher than last year, as Year 13 had no specific difficulties last year and now the Lower School has larger classes with proportionately greater SEND profiles.

Under the new terminology for SEN, all these students 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.

There is one student with an EHCP. Another, who had an EHCP previously, left in December 2018 to go to a special school. One student in Secondary is currently in the process of applying for an EHCP. However, there are five pupils that receive regular and individual TA support. Two students have severe cognitive difficulties and therefore follow a differentiated curriculum, which needs to be consolidated and staffed properly next year. We have one visually impaired (VI) student, who uses specialised equipment and receives in-class support, as well as SENSS intervention, and there are TA hours dedicated also to prepare the class materials. There are 27 students who have Dyslexia-type difficulties, five of whom receive LS lessons specifically for literacy support. Extra time for tests is afforded to some pupils based on the Ed. Psych. Report, but in Years 11 to 13, the access arrangements must be ratified by Brussels.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

There are 17 students listed under the heading of SEMH, social, emotional & mental health difficulties, though the symptoms, diagnoses and level of intervention vary greatly: ranging from ADHD or adoption to bereavement and anxiety. One trend we notice is an increase in the number of students concerned about their anxiety levels in and out of School. We have two pupils with Dyspraxia. This condition does affect learning and social interaction to a large extent, affecting confidence levels and behaviour as well as performance difficulties. We have eight pupils living with Autism and, as expected, each individual has their own characteristics, strengths and weaknesses. The use of TA support is vital and there is an important case to be made to increase the allocation of skilled TAs, as there are students who are not necessarily on the SEN register who benefit from focused support, which in turn has a positive impact on teaching and learning for the rest of the class. As the School population increases, the challenges experienced by staff multiply, which puts vulnerable students at greater risk.

The academic year of 2018-19 was the second year in operation for the all-through school. The founding Principal left in August 2018 and the Head of Secondary took over as Interim Principal; the position was made permanent in April 2019. A School Leadership Team was set up to support this change in the Management, which included the appointment of an Interim Assistant Head of Primary (also now a permanent position) and two Directors of Teaching and Learning in Secondary.

There were also many challenges to the School during this academic year. In particular, the year was overshadowed by the consequences of Brexit. The School was and continues to be well supported by the Department of Education, specifically: the European School Team, the Regional Commissioners Office and the ESFA. A significant success was the agreement with the Board of Governors of the European Schools to allow the School to offer the European Baccalaureate until 2021 regardless of the outcome of Brexit, thus safeguarding our upper years (Years 11-13). The agreement means that, in the event of a Transition Agreement, the School will be a fully accredited European School until 2021. In the event of a No Deal, the School will be fully accredited until 2020 and only Year 13 will be accredited until 2021.

Meanwhile, we are progressing well with preparing for the International Baccalaureate (IB) as an alternative to the European Baccalaureate (EB) that offers a similarly broad curriculum, with strong language and science provision in keeping with the School's vision. We achieved IB candidate School status in December 2018 and are making excellent progress in gaining final authorisation. At her recent visit, our IB consultant was very positive about our preparedness, which includes curriculum planning and teacher training. We have also made a successful business case to the ESFA for additional funding of £99K to cover the costs of training our teachers for the IB and to build up necessary resources. In September 2019, we submitted our application for authorisation.

In September 2017, Europa School UK took over supervision of the entire site from the European School, but ultimate responsibility for the site remains with the Department of Education (DfE) until a full lease is in place. The School campus has been much neglected over the past decade during the closure phase of the European School Culham. We have been negotiating with the DfE concerning the scope of the works to be carried out on the School site, covering the statutory landlord's obligations and a capital works programme to deliver the "safe, warm and dry" promise made by the Minister of State for Education. Moreover, the DfE have agreed to commission additional works which the School identified in other areas of the site not in the scope of the original programme. This good outcome will significantly reduce the maintenance costs for the Trust in the next few years and make the site more affordable. The works were due to start during the 2019 summer and the DfE have acknowledged that the work programme is expected to continue over the next academic year due to the overall scale of the project. There has been a delay in the completion of contracts. The maintenance works and landlord obligation started in July, but the capital works are delayed until the start of the 2020 calendar year.

Our School has a growing profile; the third stream (English and Spanish) opened in September 2015 and has currently reached Year 3 in the academic year 2018-19. The School now lacks large classroom space to accommodate this increasing roll and we have engaged in parental fundraising to afford internal restructuring in one of the campus buildings to create two large primary classrooms. This building project is delayed until the School enters into the Agreement for Lease, whereupon a special licence will be issued by the ESFA.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

We are continuing to overturn the funding issue associated with the pupil growth in this Spanish stream. Following our lobbying of the Minister of State and Oxford County Council, we submitted a business case to the Funding Agency to seek a fair settlement and the Department of Education agreed to funding the School based on actual pupil numbers rather than census for the academic years 2019-2022. This gain in funding has a significant impact on our funding (approximately £179K in 2019-20).

The School renewed its fundraising call to parents in October 2018, reflecting on-going challenging financial climate. Our income continues to be low and our outgoings were always increasing, experiences shared by many other schools, especially in regions most affected by the delay to the National Funding Formula, as we are.

The School has taken other necessary steps to counteract our low funding, for example increasing student numbers in our incoming Reception classes to 30 and not recruiting a Head of Secondary, as we remain committed to keeping our costs low. We have raised £164K from the appeal from parents.

Key Performance Indicators

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

- In the Primary School, 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 assessment scales of the European Schools for Primary and Secondary, 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 in Primary: 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' assessment criteria.
- A specific variation to our Funding Agreement recognises the unique status of ESUK in offering the European Schools' curriculum and Baccalaureate. As a consequence, the School does not enter pupils for GCSE and is not included in national performance tables for Secondary. To complement the DfE defined measures of Year 11 to 12 retention and Baccalaureate success, the School continues the GL-Assessment tests into Lower Secondary.
- ESUK is subject to a dual inspection system. As a UK state school, ESUK falls within the regular OFSTED inspection regime. As a European School, it is subject to periodic inspection to reconfirm accreditation. Currently, these are set at two-year intervals.
- Attendance: ESUK has achieved good attendance rates with 95.77% attendance, improved from last year and better than the national average of 94.8% (from 2018). 4.77% persistent absence (defined by the DfE as >10% absence out of the total possible school half-days) was also better than the national average of 11.6%.
- Exclusions: ESUK has had no exclusions during this reporting period.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- 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: In September 2017, ESUK took over supervision of the entire site from the European School, but ultimate responsibility for the site remains with the DfE until a full lease is in place. ESUK has managed some challenging situations to ensure that a high level of safety and security is offered throughout. 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. A new visitor and site security policy was established for the site from September 2018 and updated in September 2019 following the installation of new automatic gates. An updated fire action (following training from our H&S consultant) and a Business Contingency Plan are in place.
- Performance management: Our appraisal system includes key targets and a regular cycle of lesson observations to ensure that staff have the support and CPD they need to improve and sustain quality.

The key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves carried forward. At 31 August 2019, the balance of the unrestricted and restricted income reserves was £401,358 (2018: £537,294). Further details on the level of reserves held by the Trust are set out in the Reserves Policy section below.

As the majority of the Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. The total number of pupils during the year ended 31 August 2019 was 865, which is an increase of 3.84% from the previous year.

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs to total educational grant funding (being GAG plus other operating educational grants from the ESFA and/or Local Authority) for the year was 86.8% (2018: 78.9%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 74.4% (2018: 72.5%).

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has sufficient resources to continue in operational existence for the foreseeable future. In autumn 2019, the School received official confirmation from the ESFA of a change in the funding basis to actual pupil numbers for the next three academic years from 2019 to 2022. In addition to this, the School will still have to rely on voluntary contributions from the parent community to supplement its income in order to continue operating as a going concern, which remains a key financial uncertainty facing the Trust, along with Brexit-related challenges. For these reasons, the Governing Body 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.

Since 1 September 2017, the School has been occupying the whole site under a series of temporary Licences to Occupy Agreement between The Secretary of State for Communities and Local Government and Europa School UK. The last Licence expired on 31 March 2018. As of December 2019, the School is still occupying the site without a Licence, Agreement for Lease or Lease in place, although negotiations with the Department of Education are nearing completion. At the time of signing the financial statements, representatives from the Department of Education have suggested that a temporary Licence to Occupy Agreement may be imminently granted to the Trust until the Agreement for Lease is signed, thus enabling the School to have a legal basis for undertaking building works for the creation of two new Primary classrooms, as well as applying for capital funding for the replacement of temporary classrooms to the Condition Improvement Fund in December 2019.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

FUNDRAISING

In 2018-19, the School repeated for the second successive year a general fundraising appeal to the whole community of pupils' families with a view to supplementing income received from the ESFA for operational purposes. The appeal was supported by both the Principal and the Governing Body. Although an amount of £1 per day per child was suggested as part of the appeal, all contributions are strictly voluntary and entirely discretionary. The money raised will benefit all children in the School, without prejudice and independently of parents' capacity to contribute and/or fundraise.

Separately, the School crowd-funded in 2018-19 for the specific purpose of funding the creation of two large Primary classrooms in an existing building. This initiative raised £16,725 and, coupled with additional capital funding from the ESFA, will enable building work to start early in the 2020 calendar year.

Fundraising is primarily undertaken by staff and parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising regulator's Code of Fundraising Practice and is monitored by both the Principal and the Governing Body.

The Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities; the general complaints policy of the Trust would be applicable if so.

FINANCIAL REVIEW

The majority of the Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA and other funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

The net assets of the School at 31st August 2019 amount to £588,815 representing a decrease of £577,699 compared to 31st August 2018. This resulted from a £135,936 deficit from the School's operating activity, service cost and interest cost adjustments on the Local Government Pension Scheme of £156,000, actuarial losses of £221,000 on the Local Government Pension Scheme and a net decrease of £64,763 in the fixed assets fund (capital grants received less depreciation for the year).

The net book value of fixed assets at 31 August 2019 was £805,679. The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Trust.

88.5% of the income received in the year relates to grants received from the Education and Skills Funding Agency, mainly the General Annual Grant, and Local Authority. These are shown as Restricted Funds in the Statement of Financial Activities. The ratio of GAG funding per pupil was £4,064 (2018: £4,476) for the year.

Staff costs of £3,277,057 represent 93.2% of the School's General Annual Grant.

£50,294 of capital grants was received during the year.

Included within the School's balance sheet at year-end is a defined benefit pension scheme liability of £686,000 (2018: £309,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the School. Further details regarding the deficit in the LGPS at 31 August 2019 are set out in note 20 to the financial statements.

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The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Trust's financial management, including financial responsibilities of the Board of Governors, Principal, managers, budget holders and other staff, as well as the delegated authorities for spending.

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 2019 is £588,815 (2018: £1,166,514); of which £401,358 (2018: £537,294) is total income funds (both restricted and unrestricted) and £398,654 (2018: £209,822) 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. A third appeal was launched in October 2019 for the 2019-20 academic year. A School Development Manager was recruited in September 2019 on a part-time basis with a view to securing additional fundraising and grant income from 2019-20. In addition, the Governors are continuing to carefully review key areas of operational expenditure, particularly curriculum and overhead costs. Until the Agreement for Lease is signed and maintenance works are fully completed by the DfE, some site costs are covered by the ESFA. Additional costs associated with the registration for the International Baccalaureate are also covered by additional funding (up to £99,000) secured from the ESFA. The Governors expect that a significant operating deficit will be generated in 2019-20. However, the deficit is expected to be covered by a combination of existing total income funds brought forward at 1 September 2019, the fundraising appeal to parents, as well as additional fundraising and grant income from external sources. It is expected that there will be continuing pressure on cash flows throughout 2019-20, which will require close monitoring.

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 bank account with a reputable financial institution.

Principal Risks and Uncertainties

The Governors have assessed the major risks to which the Trust is exposed, especially in the operational areas, such as in relation to teaching, health and safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls, in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. Where significant financial risk still remains, the Governors have ensured the Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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

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, Director of Finance and Operations, 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.

The School has considerable reliance on continued Government funding through the ESFA. In the period, approximately 88% of the School's income was ultimately Government funded. Whilst this level is expected to increase in 2019-20 with the beneficial return for our growing School to funding on actual pupil numbers rather than the lagged-funding basis applicable in 2018-19, there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms, particularly in the light of national political uncertainty and continuing changes in the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs associated with both the Teachers and the Local Government Pension Schemes and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balanced budgets in the future.

The Governors examine the financial health of the School formally twice per term, reviewing performance against budgets and overall expenditure by means of regular update at all full Governors and Finance, Audit and General Purposes Committee meetings.

Regarding the funding of significant capital developments, the Department of Education, as landlord, undertook multiple site surveys throughout 2018-19 and completed some maintenance works in a limited number of areas, including fire safety works. The DfE has undertaken to carry out substantial repairs and maintenance as part of a schedule of works to keep the School "safe, dry and warm" prior to signing the long-term Lease Agreement.

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.

Educational

The continuing success of the Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Since the School is currently over subscribed in Primary, risks to revenue funding from a falling roll are assessed as small. In Secondary, all year groups from Year 7 to Year 11 are also at full or nearly-full capacity. As a legacy issue due to the transfer of students from the European School Culham, Years 12 and 13 have a significant number of unfilled places in 2019-20.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Safeguarding and Child Protection

The 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.

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. However, there will be continuing pressure on cash flows throughout 2019-20, which will require close monitoring.

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.

Pensions Costs

The Governors recognise that the Local Government Pension Scheme deficit represents a 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, which includes those relating to fraud and mismanagement of funds. The School has also commissioned an accounting firm to provide limited on going accounting assistance.

Fraud and Mismanagement of Funds

In 2018-19, the School engaged Whitley Stimpson to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All financial staff receive training to keep them up to date with financial practice requirements and to develop their skills.

TRADE UNION FACILITY TIME

Relevant Union Officials

Number of employees who were relevant Union officials during the relevant period	Full time equivalent employee number
2	1.75

Percentage of time spent on facility time

Percentage if time	Number of employees
0%	1.75
1% - 50%	0
51% - 99%	0
100%	0

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£2,845,484
Percentage of total pay bill spent on facility time	0%

Paid Trade Union activities

Total time spent on Trade Union activities as a percentage of total paid facility time hours	0%
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PLANS FOR FUTURE PERIODS

The School strives to continually improve levels of attainment for all pupils. Following the opening of the full Secondary School from ages 11-19 when the European School closed in August 2017, the School will continue its expansion to three-form entry throughout the Primary School until 2021-22, with the implication that a new classroom must be refurbished every year. The School has increased class sizes in Reception from 28 to 30 pupils in September 2019 and this increase will filter up the rest of Primary year by year until 2025-26. In Secondary, contingency plans within the context of Brexit include obtaining full accreditation for the International Baccalaureate as the end qualification. Following the signing of the Agreement for Lease and subsequent Lease, the School intends to maximise income generation from the Culham site.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS


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

AUDITOR

In so far as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 16 December 2019 and signed on its behalf by:



A Brent
Chair of Governors

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 8 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
L Wood	8	8
A Parker	6	7
A Brent	8	8
A Shorrocks	7	7
J Holderness-Laar	8	7
S Purves	5	6
S Kynoch	7	8
L Kan	8	8
R Barter	7	8
L McNeill	1	1
A de Vazehles	8	8
A Bailey	7	8
E Cristofori	7	8
S Philippot-Gasc	8	8

The diverse Board of Governors of Europa School UK (ESUK) contains a variety of skills and expertise, representing all stakeholders and the multicultural, multilingual vision of the School. The Company is a company limited by guarantee and the six Members (excluding the ex officio Chair of Governors) of the Company contributed a guarantee of £10 each to form the Company. 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 A Parker.

At the end of the academic year 2018-19, there were ten appointed Governors including the Principal. The parent and staff bodies each elect two Governors. Four (out of a possible seven) Governors are currently appointed by the founding Members. There are also three posts for co-opted Governors appointed by the Governing Body, although only one is filled at present. The Principal is appointed by the Governors.

The Board of Governors has decreased in size this academic year with four resignations and no new appointments. A co-opted appointment will be proposed for approval at the Full Governing Body meeting in December 2019. All Chairs of the Committees have relevant skills and expertise in their field.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

- The Primary 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 education.
- The Premises and Liaison Committee is chaired by Lydia Kan, an architect. Her professional experience provides valuable expertise at a time of negotiations for the site lease and the planned maintenance and capital works to be undertaken on behalf of the Department of Education. In addition, this Committee benefits from the support of an Associate Member with legal expertise.
- The Chair of the Finance, Audit and General Purposes Committee was held by Antoine de Vazelhes until his resignation on 31 August 2019, previously Director of Finance Compliance and Risk Management for a global organisation, his insight into both legal and financial matters being a most valuable asset to the Board. The new Chair of this Committee from 1 September 2019 is Simon Purves, formerly Chair of Governors.
- The Secondary Education Committee is chaired by Founding Member Antonella Shorrock, a qualified coach, interpreter and expert in European education.

During the current school year:

Lynn Wood, previously Head of Secondary with ESUK and prior to that with the European School of Culham, was appointed on 1 September 2018 as Principal and Accounting Officer.

In September 2018, Luke McNeill (Co-opted Governor) resigned as Governor and Coordinator of the Fundraising Committee, which is separate from the Governing Body.

After seven months away for professional reasons, Simon Purves (Member-appointed Governor, Chair of the Finance, Audit and General Purposes Committee since 1 September 2019) was re-appointed to the Board of Governors in October 2018. He brings greatly valued insight into current models of governance, as well as a wealth of experience in ICT.

In May 2019, Professor Andrew Parker (Chair of Governors, Professor of Physiology and Principal Bursar at St John's College, Oxford University) resigned to relocate with his family to Germany. However, Andrew remains as Chair of Founding Members.

In July 2019, Elsa Cristofori, formerly a teacher at the European School of Culham, retired from the Governing Body.

Finally, in August 2019, Antoine de Vazelhes (Member-appointed Governor, Chair of the Finance, Audit and General Purposes Committee) resigned at the end of his four-year term, having decided to pursue other ethical interests.

Further members of the Governing Body in 2018-19 were:

Dr Andrew Brent was elected Chair of Governors from 8 May 2019. 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.

Robin Barter remains a Co-opted Governor, bringing much-valued skills in the field of commercial contracts and contract terms negotiations. In addition, Robin has been the Chair of the Fundraising Committee (which is separate from the Governing Body) since October 2018.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Alice Bailey, a lawyer, is a member of both the Premises and Liaison Committee and the Secondary Education Committee.

Sarah Kynoch (elected Staff Governor) is the Assistant Head of Primary and SENCO of the Primary School.

Sandrine Philippot-Gasc (elected staff Governors) is an experienced Secondary Teacher.

A wide pool of voluntarily offered expertise is also available to the Governors, including legal and financial support. For instance, an Associate (formerly the Chair of the Finance, Audit and General Purposes Committee) with extensive strategic and financial experience was invited to re-join the Finance, Audit and General Purposes Committee in December 2019. The Governors of ESUK are continuously increasing their expertise through a variety of training opportunities. The key competencies 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

An audit of the skills present within the Governing Body was carried out in November 2019 with fifteen responses from Governors and Associates. All participants were asked to complete the questionnaire from the National Governors' Association 2019 updated audit. Each question was rated 1-5, with 5 being the highest level of experience/skills. Areas of strength include:

- "Positive" (contribution to the Governance of the School) in which the average across all questions was higher than 4.8;
- "People" (commitment to the School, communication and teamwork), in which the average across all questions was higher than 4.8;
- "Evaluation" (Board and self-evaluation) and "Compliance" (statutory duties, organisation policies, in which the average across all questions was 4.3 or higher for both areas;
- "Strategic leadership" (vision, ethos and strategy) in which the average across all questions was 4.1 or higher.

The weakest areas were "Structures" (Board and Governance structures) and "Accountability" (driving up academic and financial standards), in which the average was 3.8 for both areas. The Trust is planning to address this by providing more training on Governance structures, Financial and HR processes and on preparedness for inspections. Recruitment of additional Governor(s) with financial management and governance experience is in process.

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 2015-16.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

2. In 2014-15, 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. Former students of the European School of Culham joined the Secondary school in September 2017 with very high retention levels of students. In addition, the former Head of Secondary at ESC joined ESUK in September 2017, ensuring a smooth transition between the two schools at Secondary level. Furthermore, the Head of Secondary was appointed Principal in September 2018.

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.

Due to the lasting political uncertainty surrounding Brexit issues, the Governing Body has implemented a contingency plan aiming at delivering the International Baccalaureate as an alternative end qualification, thus preserving the multi-lingual and multi-cultural ethos of the School.

3. The maintenance backlog of the current site remains a major challenge. It is in the process of being addressed by the Department for Education who controls the site, with a planned schedule of maintenance and capital works due to commence early in 2020 following long contractual delays. Due to numerous, significant unresolved issues around the site, the ESUK has not yet been able to sign the Agreement for Lease offered by the Department for Education, nor the subsequent long-term Lease Agreement. However, Founding Members and Governors agree in principle that they wish to take on the Lease, subject to an agreed schedule of works and financial undertakings being presented by the DfE and approved by the Governing Body. This may be preceded by the granting of a temporary Licence to Occupy the site by the DfE by the end of 2019.

4. Decreasing funding is another major threat, which is being closely monitored by our Finance, Audit and General Purposes Committee. The impact on the overall spending budget for both Curriculum resources and overheads in 2018-19 has remained material across the School. 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). In 2018-19, this has continued to be particularly the case for German-speaking teachers and teaching assistants, with severe difficulties encountered in recruiting suitable candidates. 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.

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 exceed, 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Audit 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 and three-year plan;
- the regular monitoring of actual expenditure and income against budget, as well as cash flows;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, the Charities SOP (FRS 102) 2015, the Academies Financial Handbook and other guidance issued by the DfE and/or the ESFA;
- authorising the award of contracts of, or over, £10,000;
- 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.

The key issue dealt with by the Committee during the year was the review of the Trust's six-year financial plan under different scenarios (end qualification) and the actions required to address the reduced funding and decreasing levels of reserves expected over this period. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
A de Vazelhes	7	7
L Wood	7	7
S Purves	5	6
A Parker	1	4
A Brent	6	7
R Barter	6	7

The Director of Finance and Operations also attended six out of the seven 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 Board of Governors 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 2018, a new Reception group of 84 pupils joined the existing groups of 84 promoted to Year 1, Year 2 and Year 3 and 56 promoted to Years 4, 5 and 6, bringing total pupil provision in both Primary and Secondary to 855. The School continued to be oversubscribed, with more than two applications for every place in Reception and an extensive continued interest list throughout the School, particularly in Primary. The effect of the enlarged intake from 2015 onwards will, over the long term, take the size of the School to close to 1,200, making much better use of the large site.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Our Primary classrooms are used to their full capacity with classes of 28-30 throughout and we have a very high rate of room occupancy in the whole School, with all full-sized classrooms in use throughout the week and smaller 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 school places in Oxfordshire and the specific demand for a multi-lingual, multi-cultural school.

In the Secondary School, the gradual phasing out of the Swales (Students Without A Language section) which was a legacy from the now closed European School Culham and the restriction of a single English section, which is unusual for a European School, has provided good opportunity to make economies in the educational model which will continue for the next four years.

Staff deployment is kept under constant review to ensure the best use of our teachers, teaching assistants and support staff. Employment of a largely multi-lingual staff, including a substantial number with previous experience of European Schools, 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.

Despite passing from Primary only to all-through funding, Europa School UK's block allocation remains low compared with other Free Schools in the country. The funding is used efficiently to provide an additional 120 hours per year in KS1, 80 hours in KS2, a standard number of hours in KS3 and KS4 and almost twice the number of hours at KS5, when compared with typical UK schools. This allows in Primary for the effective 50-50 split between learning through English and learning through one of French, German and Spanish and in Secondary, the successful completion of the broad curriculum of the European Baccalaureate. Cost effectiveness is supported by a flat management structure and excellent commitment of staff.

Educational Results

As detailed above in this report, our educational results demonstrate steady progress throughout the School from rather below national levels at entry to well above those levels in Baccalaureate success. This success is due to adoption of an outstanding Curriculum model of the European Schools, the high level of commitment shown by staff and pupils, the cognitive benefits of multi-lingual education, the strong focus of the Governors and the efficient staffing model that targets academic success and supportive relationships throughout.

Financial Oversight

A small administrative team oversees highly effective financial control. Monthly reconciliations, prepared by the Finance Manager, are reviewed and signed off by the Director of Finance and Operations. We have engaged independent accountants who provide an additional level of scrutiny. The Governing Body's Finance, Audit and General Purposes Committee has profited from financial expertise among its members. The Committee analyses the accounts prior to extended meetings at least six 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Whitley Stimpson Limited to perform additional checks.

The Auditor's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. In particular the checks carried out in the current covered the review of and testing of payroll systems and procedures.

On an annual basis, the Auditor reports to the Board of Governors on the operation of the control systems. Whitley Stimpson have delivered the program of work as planned and no major issues were identified. However, there were some suggested recommendations in three areas rated as low risk. Management have developed an action plan to address these weaknesses and improve controls over the next six months.

Review of effectiveness

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

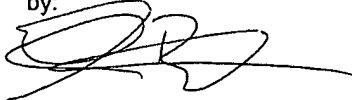
- the work of the internal reviewers;
- the work of the external auditors;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

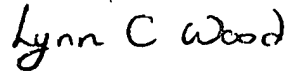
EUROPA SCHOOL UK
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Governors on 16 December 2019 and signed on their behalf
by:



A Brent
Chair of Governors



L Wood
Accounting Officer

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Europa School UK I have considered my responsibility to notify the School Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the School, under the funding agreement in place between the School 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.

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

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 Governors and ESFA.

Lynn C Wood

L Wood
Accounting Officer

Date: 16 December 2019

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who 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 Academies Accounts Direction published by the Education & 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 SOP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 Board of Governors on 16 December 2019 and signed on its behalf by:



A Brent
Chair of Governors

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**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 (the 'school') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for 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's 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
(A Company Limited by Guarantee)

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

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. Other information includes the Reference and Administrative Details, the Governors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have 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 including the Strategic 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement, 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.

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.

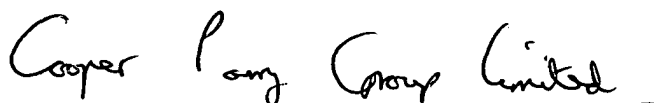
Auditors' responsibilities for the audit of the financial statements

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable School's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Ltd

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

19 December 2019

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EUROPA
SCHOOL UK AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EUROPA
SCHOOL UK AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

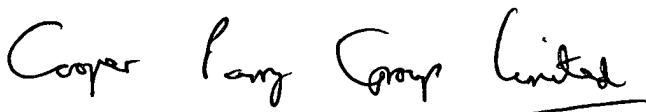
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the School's income and expenditure.

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;
- 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Cooper Parry Group Ltd

Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 19 December 2019

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	172,536	5,532	50,294	228,362	302,335
Charitable activities		311,518	3,773,691	-	4,085,209	4,211,494
Investments	4	2,815	-	-	2,815	172
Total income		486,869	3,779,223	50,294	4,316,386	4,514,001
Expenditure on:						
Charitable activities		218,071	4,339,957	115,057	4,673,085	4,513,977
Total expenditure		218,071	4,339,957	115,057	4,673,085	4,513,977
Net income/(expenditure)		268,798	(560,734)	(64,763)	(356,699)	24
Transfers between funds	15	(79,966)	79,966	-	-	-
Net movement in funds before other recognised gains/(losses)		188,832	(480,768)	(64,763)	(356,699)	24
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	20	-	(221,000)	-	(221,000)	158,000
Net movement in funds		188,832	(701,768)	(64,763)	(577,699)	158,024

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward	209,822	18,472	938,220	1,166,514	1,008,490
Net movement in funds	188,832	(701,768)	(64,763)	(577,699)	158,024
Total funds carried forward	398,654	(683,296)	873,457	588,815	1,166,514

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

The notes on pages 37 to 58 form part of these financial statements.

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

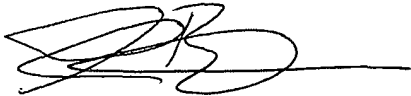
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	805,679	889,254
		805,679	889,254
Current assets			
Debtors	13	112,300	163,376
Cash at bank and in hand		692,334	747,972
		804,634	911,348
Creditors: amounts falling due within one year	14	(335,498)	(325,088)
Net current assets		469,136	586,260
Total assets less current liabilities		1,274,815	1,475,514
Net assets excluding pension liability		1,274,815	1,475,514
Defined benefit pension scheme liability	20	(686,000)	(309,000)
Total net assets		588,815	1,166,514
Funds of the School			
Restricted funds:			
Fixed asset funds	15	873,457	938,220
Restricted income funds	15	2,704	327,472
		876,161	1,265,692
Restricted funds excluding pension asset	15	876,161	1,265,692
Pension reserve	15	(686,000)	(309,000)
Total restricted funds	15	190,161	956,692
Unrestricted income funds	15	398,654	209,822
Total funds		588,815	1,166,514

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 32 to 58 were approved by the Governors, and authorised for issue on 16 December 2019 and are signed on their behalf, by:



A Brent
Chair of Governors

The notes on pages 37 to 58 form part of these financial statements.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(71,633)	281,726
Cash flows from investing activities	18	15,995	37,196
Change in cash and cash equivalents in the year		(55,638)	318,922
Cash and cash equivalents at the beginning of the year		747,972	429,050
Cash and cash equivalents at the end of the year	19	<u>692,334</u>	<u>747,972</u>

The notes on pages 37 to 58 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 2019

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 School, which is a public benefit entity under FRS 102, have been prepared under the historic 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 SOP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Europa School UK meets the definition of a public benefit entity under 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.

The majority of the School's income is Government funded. However, current decrease in the Government's per pupil education budget, the introduction of the National Funding Formula in 2019-20, the withdrawal of both the Educational Services Grant and the Post Opening Grant in 2019-20, together with the system of lagged funding impacting negatively on our growing School, as well as increasing employment and premises costs, means that the School has set a deficit budget forecast for the next three academic years. In view of this, the Governors continue to look at and evaluate strategies for raising additional income. Whilst the School remains unable to generate income from its site until the long-term Lease Agreement is resolved, the path chosen by the Governors has been to appeal to parents for voluntary contributions in order to supplement its income and to continue operating as a going concern, which represents a key financial uncertainty facing the School. The Governors are also reviewing key areas of operational expenditure and economies have been made since the start of the 2019-20 academic year, particularly in the areas of maintenance and utilities.

As such, after making appropriate enquiries, the Board of Governors therefore has a reasonable expectation that the School has sufficient resources to continue in operational existence for the foreseeable future. For this reason, the Board of Governors continues to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the School at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

All incoming resources are recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the School has provided the goods or services.

1.5 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 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.

1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets 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 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. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

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

On 4 July 2012, the School entered into a site sharing agreement with the European School, which ran until 31 August 2017. The leasehold property represents the cost of buildings work and improvements undertaken on the European School site up to 31 August 2017. On 1 September 2017, the School began occupying the whole School site under a Licence to Occupy Agreement between The Secretary of State for Communities, the Local Government and Europa School UK. This license expired on 31 March 2018. The School intends to sign the lease for the whole site for a period of 125 years as soon as possible and continues to work with the Department for Education towards reaching an agreement over the long term lease of the site. No value for the land and buildings of the whole School site has therefore been reflected in the financial statements, other than the value of buildings work and improvements undertaken on the site up to 31 August 2017 as detailed above.

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.

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities 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.

1.11 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 bases 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 cost 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 instrument.

1.12 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 Part 11, chapter 3 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 Pensions

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Agency arrangements

The School acts as agent in distributing bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the School does not have control over the charitable application of the funds. The funds received and any balances held are recognised in note 22.

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2. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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:

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations and capital grants	172,536	5,532	50,294	228,362

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations and capital grants	158,390	5,156	138,789	302,335

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	2,815	2,815	172

In 2018, of the total income from Investment income, £172 was to unrestricted funds and £nil was to restricted funds.

5. Funding for Academy's Educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
General Annual Grant from ESFA	-	3,515,132	3,515,132
Other DfE/ESFA grants	-	222,031	222,031
Local Authority grants	-	16,446	16,446
Other income	311,518	-	311,518
Other grants	-	20,082	20,082
	<u>311,518</u>	<u>3,773,691</u>	<u>4,085,209</u>

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
General Annual Grant from ESFA	-	3,532,535	3,532,535
Start-up grants from ESFA	-	196,000	196,000
Other DfE/ESFA grants	-	171,431	171,431
Local Authority grants	-	2,750	2,750
Other income	291,100	-	291,100
Other grants	-	17,678	17,678
	<u>291,100</u>	<u>3,920,394</u>	<u>4,211,494</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational operations:				
Direct costs	2,319,937	-	335,903	2,655,840
Support costs	1,070,854	547,800	398,591	2,017,245
	<u>3,390,791</u>	<u>547,800</u>	<u>734,494</u>	<u>4,673,085</u>

	Other 2018 £	Total 2018 £
Educational operations:		
Direct costs	2,658,814	2,658,814
Allocated support costs	1,855,163	1,855,163
	<u>4,513,977</u>	<u>4,513,977</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	<u>2,655,840</u>	<u>2,017,245</u>	<u>4,673,085</u>

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational operations	<u>2,658,814</u>	<u>1,855,163</u>	<u>4,513,977</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
LGPS FRS102 net pension interest cost	11,000	10,000
Staff costs	1,070,854	960,516
Depreciation	115,057	108,699
Technology costs	24,542	17,863
Insurance	18,683	19,883
Catering	102,746	102,332
Bank interest and charges	13	828
Other support costs	632,527	609,638
Legal, professional and governance	41,823	25,404
	<u><u>2,017,245</u></u>	<u><u>1,855,163</u></u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	115,059	108,699
Fees paid to auditors for:		
- audit	6,500	6,000
- other services	5,450	9,276
	<u><u>6,500</u></u>	<u><u>9,276</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,610,468	2,457,951
Social security costs	223,743	222,461
Pension costs	560,773	533,016
	<u>3,394,984</u>	<u>3,213,428</u>
Agency staff costs	27,073	16,900
	<u><u>3,422,057</u></u>	<u><u>3,230,328</u></u>

b. Staff numbers

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

	2019 No.	2018 No.
Management	5	5
Teachers	83	73
Support	54	47
	<u>142</u>	<u>125</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
	<u><u>3</u></u>	<u><u>3</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs (continued)

c. Higher paid staff (continued)

2 (2018 - 3) of the above employees participated in the Teachers' Pension Scheme and 1 (2018 - Nil) participated in the Local Government Pension Scheme. During the year ended 31 August 2019, the employer pension contributions for these staff members to the Teachers' Pension Scheme amounted to £24,974 (2018 - £36,166) and to the Local Government Pension Scheme amounted to £15,194 (2018 - £Nil).

d. 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 National Insurance and pension contributions) received by key management personnel for their services to the School during the year was £346,740 (2018: £317,475).

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the School. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019 £	2018 £
P Ashbourne	Remuneration	Nil	80,000 - 85,000
	Pension contributions paid	Nil	10,000 - 15,000
S Kynoch	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
S Philppot-Gasc	Remuneration	35,000 - 40,000	5,000 - 10,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
L Wood	Remuneration	80,000 - 85,000	Nil
	Pension contributions paid	10,000 - 15,000	Nil

During the year ended 31 August 2019, no Governor expenses have been incurred (2018 - £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 academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	leasehold property £	Furniture and fittings £	Motor vehicles £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 September 2018	707,565	142,905	1,367	451,669	55,113	1,358,619
Additions	-	29,755	-	1,729	-	31,484
At 31 August 2019	707,565	172,660	1,367	453,398	55,113	1,390,103
Depreciation						
At 1 September 2018	89,272	75,171	569	289,654	14,699	469,365
Charge for the year	17,402	24,502	684	64,675	7,796	115,059
At 31 August 2019	106,674	99,673	1,253	354,329	22,495	584,424
Net book value						
At 31 August 2019	600,891	72,987	114	99,069	32,618	805,679
At 31 August 2018	618,293	67,734	798	162,015	40,414	889,254

On 4 July 2012, the School entered into a site sharing agreement with the European School, which ran until 31 August 2017. The leasehold property represents the cost of buildings work and improvements undertaken on the European School site up to 31 August 2017. On 1 September 2017, the School began occupying the whole School site under a Licence to Occupy Agreement between The Secretary of State for Communities and Local Government and Europa School UK. This license expired on 31 March 2018. The School intends to sign the lease for the whole site for a period of 125 years as soon as possible and continues to work with the Department for Education towards reaching an agreement over the long term lease of the site. No value for the land and buildings of the whole School site has therefore been reflected in the financial statements, other than the value of buildings work and improvements undertaken on the site up to 31 August 2017 as detailed above.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	4,754	860
Other debtors	41,084	31,057
Prepayments and accrued income	66,462	131,459
	<u>112,300</u>	<u>163,376</u>

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	73,442	108,023
Other taxation and social security	51,328	55,740
Other creditors	76,266	40,618
Accruals and deferred income	134,462	120,707
	<u>335,498</u>	<u>325,088</u>

	2019 £	2018 £
Deferred income at 1 September 2018	64,477	52,513
Resources deferred during the year	65,160	64,477
Amounts released from previous periods	(64,477)	(52,513)
	<u>65,160</u>	<u>64,477</u>

Included within deferred income is £65,160 (2018 - £63,209) that relates to the Universal Infant Free School Meals grants received from the ESFA and £nil (2018 - £1,268) that relates to SEN funding received from the Local Authority, both of which will be utilised in the year ending 31 August 2020,

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	209,822	486,869	(218,071)	(79,966)	-	398,654
Restricted general funds						
General Annual Grant (GAG)	300,605	3,515,132	(3,895,703)	79,966	-	-
Other DfE/ESFA grants	-	222,031	(222,031)	-	-	-
Local Authority grants	-	16,446	(16,446)	-	-	-
Other restricted income	26,867	25,614	(49,777)	-	-	2,704
Pension reserve	(309,000)	-	(156,000)	-	(221,000)	(686,000)
	18,472	3,779,223	(4,339,957)	79,966	(221,000)	(683,296)
Restricted fixed asset funds						
Fixed asset funds	938,220	50,294	(115,057)	-	-	873,457
Total Restricted funds	956,692	3,829,517	(4,455,014)	79,966	(221,000)	190,161
Total funds	1,166,514	4,316,386	(4,673,085)	-	(221,000)	588,815

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 2018.

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/ESFA grants represent funding for specific educational needs and includes pupil premium.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Statement of funds (continued)

Local Authority income includes Special Education Need (SEN) income and is utilised to cover costs incurred for pupils with learning difficulties and other disabilities.

Other restricted income is utilised in accordance with the terms and conditions of the funding provided.

The pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds:

The restricted fixed asset funds represent funding received from the ESFA to cover costs in refurbishing the School's buildings, including classrooms and administrative offices, and purchasing new ICT equipment and fixtures and fittings, together with funding for capital projects received from other funders and donors.

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General funds	14,514	449,662	(254,354)	-	209,822
Restricted general funds					
General Annual Grant (GAG)	373,594	3,527,759	(3,600,748)	-	300,605
Start up Grant	-	196,000	(196,000)	-	-
Other DfE/ESFA grants	-	176,207	(176,207)	-	-
Local Authority grants	-	2,750	(2,750)	-	-
Other restricted income	16,252	22,834	(12,219)	-	26,867
Pension reserve	(304,000)	-	(163,000)	158,000	(309,000)
	85,846	3,925,550	(4,150,924)	158,000	18,472
Restricted fixed asset funds					
Fixed asset funds	908,130	138,789	(108,699)	-	938,220
Total Restricted funds	993,976	4,064,339	(4,259,623)	158,000	956,692
Total funds	1,008,490	4,514,001	(4,513,977)	158,000	1,166,514

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	805,679	805,679
Current assets	398,655	338,202	67,778	804,635
Creditors due within one year	-	(335,498)	-	(335,498)
Provisions for liabilities and charges	-	(686,000)	-	(686,000)
Difference	(1)	-	-	1
Total	398,654	(683,296)	873,457	588,815

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	889,254	889,254
Current assets	209,822	652,560	48,966	911,348
Creditors due within one year	-	(325,087)	-	(325,087)
Provisions for liabilities and charges	-	(309,000)	-	(309,000)
Total	209,822	18,473	938,220	1,166,515

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(356,699)	24
Adjustments for:		
Depreciation	115,059	108,699
Capital grants from DfE and other capital income	(50,294)	(138,789)
Dividends, interest and rents from investments	2,815	172
Defined benefit pension scheme cost less contributions payable	156,000	163,000
Decrease in debtors	51,076	26,371
Increase in creditors	10,410	122,249
Net cash (used in)/provided by operating activities	(71,633)	281,726

18. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	(2,815)	(172)
Purchase of tangible fixed assets	(31,484)	(101,421)
Capital grants from DfE Group	50,294	138,789
Net cash provided by investing activities	15,995	37,196

19. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	692,334	747,972
Total cash and cash equivalents	692,334	747,972

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NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments

The School's employees belong to two principal pension schemes: the Teachers' 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £26,763 were payable to the schemes at 31 August 2019 (2018 - £25,846) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments (continued)

Scheme Changes (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £286,308 (2018 - £262,585).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £153,000 (2018 - £137,000), of which employer's contributions totalled £116,000 (2018 - £104,000) and employees' contributions totalled £ 37,000 (2018 - £33,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.80	3.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.7	23.4
Females	24.3	25.5
<i>Retiring in 20 years</i>		
Males	24.0	25.7
Females	25.7	27.9

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20. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	(210,000)	(118,000)
CPI rate +0.1%	(195,000)	(108,000)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	404,340	283,500
Gilts	123,060	68,850
Property	35,160	32,400
Cash and other liquid assets	23,440	20,250
Total market value of assets	586,000	405,000

The actual return on scheme assets was £28,000 (2018 - £22,000).

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

	2019 £	2018 £
Current service cost	(234,000)	(257,000)
Interest income	13,000	8,000
Interest cost	(24,000)	(18,000)
Total amount recognised in the Statement of Financial Activities	(245,000)	(267,000)

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20. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	714,000	550,000
Current service cost	234,000	257,000
Interest cost	24,000	18,000
Employee contributions	37,000	33,000
Actuarial losses/(gains)	236,000	(144,000)
Past service costs	27,000	-
At 31 August	1,272,000	714,000

Changes in the fair value of the School's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	405,000	246,000
Interest income	13,000	8,000
Actuarial gains	15,000	14,000
Employer contributions	116,000	104,000
Employee contributions	37,000	33,000
At 31 August	586,000	405,000

21. Members' liability

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

22. Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2019, the School received £8,582 (2018 - £9,655) and distributed £8,582 (2018 - £9,655). No amounts are held at year end as undistributed funds that are repayable to the ESFA (2018 - £Nil).

EUROPA SCHOOL UK
(A Company Limited by Guarantee)

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23. Related party transactions

Owing to the nature of the School and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the School's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the year:

J Marechau, 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. J Marechau's appointment was made in open competition and P Marechau was not involved in the decision making process regarding the appointment. J Marechau is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the key management personnel of the School.

R Greenwood, the spouse of M-C Greenwood, the Director of Finance and Operations and a member of the key management personnel of the School, is employed as a teacher by the School. R Greenwood's appointment was made in open competition and M-C Greenwood was not involved in the decision making process regarding the appointment. R Greenwood is paid within the normal pay scale for his role and receives no special treatment as a result of her relationship to a member of the key management personnel of the School.