

The American School in London Educational Trust Limited

Financial statements
for the year ended 30 June 2020
together with Trustees' and Auditor's report

Company Registration Number: 784923
Registered Charity Number: 312738

Trustees, Officers and Advisors

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Trustees, Officers and Advisors

Trustees

The Directors of the company who are also the Trustees of the charity and who held office during the year, and to the date of signing this report except where otherwise stated, were:

Chris Anderson	
Robin S Appleby	(Head of School)
Cynthia Bake	
Luca Bassi	
Jennifer Benjamin	Resigned 30 June 2020
Erin Crawford	Resigned 30 June 2020
Daniel Hajjar	
George Hatzmann	Company Secretary
Priya Hiranandani Vandrevalla	
Frank Ledahawsky	Appointed 1 September 2019 and Resigned 23 July 2020
Sherine Magar-Sawiris	
Rebecca Manuel	
Liad Meidar	
David Novak	Chair
William H. Roedy	
Erin Roth	Vice Chair
Russell Roth	Appointed 1 September 2020
Hannah Seminara	
Stephanie Schueppert	
Ramez Sousou	
Nikos Stathopoulos	
Kavi Thakrar	
Stacey Towfighi	
Christopher Whitman	
Irene Zia	

All trustees served on at least one of the six standing committees during the year.

Officers

Robin S Appleby	Head of School
John Robinson	Director of Finance

Principal Address and Registered Office

One Waverley Place, London, NW8 0NP

Trustees, Officers and Advisors

Advisors

Bankers

JP Morgan Chase
25 Bank Street, Canary Wharf
London, E14 5JP

Barclays Bank Plc
1 Churchill Place
London, E14 5HP

Solicitors

Mills & Reeves LLP,
Botanic House, 100 Hills Road
Cambridge, CB2 1PH

Farrer & Co.
66 Lincoln's Inn Fields
London, WC2A 3LH

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Investment Managers

J.P. Morgan
60 Victoria Embankment
London, EC4

DIRECTORS REPORT

The American School in London Educational Trust (ASL) was incorporated as a company limited by guarantee in 1963 (company registration no. 784923) and hence the Trustees, who are also members of the company, hold no shares. In the event of the School's dissolution, their liability for its unpaid obligations is limited to £1 each. The School is governed by its Memorandum and Articles of Association, which were last amended in 2001. The School is also registered with the Charity Commission under charity registration no. 312738. The School and its subsidiary has its registered office address at One Waverley Place, London, NW8 0NP.

The Trustees, as directors of the American School in London Educational Trust Limited (ASL), present their annual report on the affairs of the School for the year ended 30 June 2020 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

The American School in London was established in 1951, primarily, but not exclusively, for the children of American families' resident in and around London. Today the student body represents over 70 nationalities. The American School in London is strongly committed to bringing an international and multi-cultural perspective into all aspects of School life. The School has a Diversity, Equity and Inclusion Statement (see page 9). We also recognize that we are a cultural and community center for American and international families in London and work to help families making the transition to life in London.

OBJECTS AND AIMS

Charitable Objects

A summary of the charity's objects, as set out in its Memorandum of Association, is to carry on the American School in London as an educational charity for boys and girls of any nationality and to provide educational instruction of the highest class, together with physical and moral training. Within these objects, the School has created a Mission Statement, a Diversity, Equity and Inclusion Statement, and a set of shared core values.

Public benefit

The Trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit and fee charging charities.

Mission Statement

The school began the school year with a new mission that the American School in London empowers each student to thrive as a lifelong learner and courageous global citizen by fostering intellect, creativity, inclusivity and character.

CHARITY GOVERNANCE CODE

The ASL Board of Trustees takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Board has established a solid foundation in governance in which all of its trustees are clear about their roles and legal responsibilities, are committed to supporting ASL to deliver its objects most effectively for its beneficiaries' benefit, and contribute to ASL's continued improvement.

Overall, the ASL Board of Trustees meets a very significant proportion of the recommended and best practice for governance contained within the Charity Governance Code across the seven areas and are comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained in the Code.

Trustees' report (continued)

GROUP STRUCTURE AND RELATIONSHIPS

The American School in London Foundation (UK) Limited is a registered charity and raises funds for the support of the American School in London. The two companies have shared administration and for this reason are "Connected Charities". During the year, the School received £2,643K of donations from the connected charity (2019 - £4,123K).

The School has a wholly owned non-charitable subsidiary company; ASL Enterprises Ltd. (The Subsidiary). ASL Enterprises Ltd was formed on 22 August 2016 to carry out trading activities mainly in respect of the use of the School's sports facilities when not in use by the School. The subsidiary's achievements are covered in the relevant sections of this report.

The School actively supports the attainment of the highest standards in education. Through networking with other schools and organising, as well as attending, professional development conferences, the School promotes improvements in educational standards. We also cooperate with local schools and charities to widen public access to the schooling we provide, to facilitate the use of our cultural and sporting facilities and to develop in our students an awareness of the social context of the all-round education they receive at the School. All ASL parents are welcome to become active participants of the Parent Community Association ("PCA") committees and events. Through the committees of the PCA, parents organize the Global Festival, the Booster Club (supporting athletic teams), Friends of the Arts and the biennial Auction Benefit, in addition to a wide range of other activities, which promote the mission of the School.

ORGANISATIONAL MANAGEMENT

School policy is set by the Board of Trustees who make the strategic decisions and appoint the Head of School. The day-to-day management is delegated to a team of administrators (the "Senior Leadership Team" ("SLT") led by the Head of School, Robin S. Appleby. The Board met twelve times this year with extra meetings as a result of the consequences of the Covid-19 pandemic. It is organised into six standing committees - Admin/Finance, Advancement, Building & Grounds, Investment, Trustee Affairs and Executive.

The School considers it critical to offer competitive compensation and benefits to attract and retain outstanding employees. This takes into account that the School is located in an expensive part of the UK and that we are recruiting in an international market of educators. The Board sets compensation levels every year through a process of fact-finding, benchmarking and discussion with the employees. A number of the School's employees, including members of the SLT, are seconded to the School by the American School in London Foundation, which performs its own periodic benchmarking exercises for management positions. Both the School and the Foundation use external recruitment agencies to help hire the SLT and, therefore, these agencies provide additional information for compensation comparisons.

RECRUITMENT AND TRAINING OF TRUSTEES

The Board may, from time to time, elect a new member of the Board either to fill a casual vacancy or by way of addition to the Board, subject to the current maximum number of thirty. Any member so elected shall retain office only until the next Annual General Meeting, but shall then be eligible for re-election. At the Annual General Meeting every year, one third of the members of the Board retire by rotation but are eligible for re-election. Trustees are nominated by the Trustee Affairs Committee based upon the specific needs, skills and responsibilities required by the Board. New Trustees receive training at the time of their appointment.

Trustees' report (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law, the Trustees 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 net incoming/outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 to operate.

The Trustees 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 following statements have been affirmed by each of the Trustees of the charitable company:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Trustees' report (continued)

OBJECTIVES FOR THE YEAR

Each year the Board establishes specific annual goals, which are later subject to review. In 2019, the Board established the following priorities in addition to its on-going responsibilities (see page 20).

1. **Devise and implement an inclusive strategic design process which will identify the School's priorities and which will enable the School to execute initiatives, which fulfil the mission of the School.**

Achievements: The strategic design process had been launched at the beginning of the year with focused work-streams addressing the key topics. While the work was progressing well, a decision was made to temporarily put on hold the working teams during the pandemic. However the groundwork that has been done will be valuable going forward when the teams are able to meet again. There is a lot of new data to consider from areas such as the Distance Learning Program (DLP) and the effect of the pandemic on the community so the work will evolve and probably go in new directions. Although the teams did not meet during the pandemic, strategy work has continued.

2. **Monitor progress on mission adherence and the achievement of outstanding institutional performance.**

Achievements: The Head of School had restructured the approach to the mission adherence monitoring. The collection of information has gone well and there is more longitudinal data. The Trustees feel that they had received useful information and the reporting has improved their interpretation of the data. Future reports will build on a good base.

3. **Monitor the implementation of the Action Plan that resulted from the 2015-16 accreditation process (Organizational Health; Writing and Investigation; Written, Aligned Curriculum; and Cultural Competency)**

Achievements: The Head of School and the SLT submitted a mid-year report to MSA, which gave the trustees a clear understanding of the progress the school has made since the beginning of the MSA process in 2016. MSA wrote to congratulate the school on the progress so far, particularly for the mission review and cultural competency work.

4. **Review the School's security audit, to be carried out under the advisement of the Building & Grounds Committee.**

Achievements: The security audit report was received, and the report indicated there was nothing that needed to be addressed immediately. It had been agreed that there would be a further review when the school reopened to identify whether additional work would be needed to ensure social distancing requirements are met.

PRINCIPAL ACTIVITIES UNDERTAKEN

In addition to achieving the specific goals of the Board of Trustees, the School taught on average 1,405 students in the year spread over its 3 divisions: Lower School (429), Middle School (476) and High School (500). 7 new students entered the School during the year. 128 students graduated from the senior class in June 2020. Total enrolment was above the budgeted level needed to break even for the year.

The School continued to emphasize the importance of professional development of its faculty and staff, spending nearly £360K in support of employee participation in educational seminars, conferences and other professional development during the year.

Trustees' report (continued)

FINANCIAL AID

Awards totalling £4,709K (2019, £4,382K) in Financial Aid and allowances were made to 156 (2019, 158) students in the year. Of these, 130 (2019, 129) students received financial help on a formal 'means-tested' basis through the School's Financial Aid program, the objective of which is to assist qualified students to attend the School regardless of their families' ability to pay. The availability of Financial Aid is communicated via the School's website, during the application process, in parent meetings and in various articles on School finances and admissions published both annually and from time to time.

Parents apply for Financial Aid through a formal process administered by a confidential Financial Aid Committee. The Committee uses a financial model and principles developed by School and Student Services for Financial Aid to assess financial need and the amount of Financial Aid awarded. The School sets a Financial Aid budget each year as part of its normal budgeting process. Subject to this budgetary constraint, the Financial Aid Committee seeks to meet all financial needs identified through the application process. The highest awards were for 100% of tuition fees and the average award was £28,306.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF PEOPLE WITH A DISABILITY

The American School in London is an equal opportunities employer, and this is stated unequivocally to all prospective job candidates. In accordance with our Equal Opportunities Policy, the School treats all employees equitably, and employees or prospective employees with disabilities are given full and fair treatment, with reasonable adjustments and training opportunities implemented where necessary. Additionally, the School has a range of detailed HR policies designed to support our employees and our charitable and business objectives and to ensure compliance with employment legislation. These are reviewed at least annually by the HR Director.

We consult with our employees about future School activities and issues of direct concern (such as terms and conditions) through a range of mechanisms. Employees are represented by faculty and staff associations who meet frequently with the School administration to discuss employees' requests and to resolve concerns. When a decision is made that is likely to affect the interest of employees, a full and thorough consultation process is carried out. Examples of such consultations are: annual salary and benefits meetings with staff associations and the Senior Leadership Team (specifically, a minimum of three meetings before a final decision is made); briefings to employees at the beginning and end of the academic year in all-School meetings to update staff on current issues and solicit feedback; monthly meetings held between the faculty association and Head of School; and annual leadership surveys for employees to provide extensive feedback on the effectiveness of the Senior Leadership Team. Leaving employees are also offered the opportunity to participate in exit interviews, the results of which are presented to the Board of Trustees annually. Results from the 2020 survey showed that 100% of leavers rated their overall experience as positive, with 87% indicating that they would recommend working at ASL to a friend.

We also actively engage with employees through twice-annual engagement surveys administered by Gallup. The results of these surveys are shared with all employees and with the Board, and often form the basis of questionnaires and focus groups, and include employee representatives nominated by the faculty and staff associations in the development of new HR policies so that employee views are reflected within our final proposals.

During the lockdown period of the Covid-19 pandemic, the School increased its efforts to communicate with and support employees. The School regularly briefed employees through a number of mechanisms, including all-School Zoom forums chaired by the Head of School, employee surveys, and weekly email updates from the Head of School. In order to ensure that all employees had access to information, Zoom forums were recorded and sent to any colleagues who could not attend. Managers were encouraged to contact employees regularly, including those who were furloughed.

Trustees' report (continued)

Additionally, a dedicated 'Covid-19' page was set up on the School intranet that allowed employees to access resources, policies and community support groups set up by HR. Employees were also able to volunteer as 'community helpers', delivering groceries and essential items to colleagues in need.

DIVERSITY, EQUITY AND INCLUSION STATEMENT

In April, the Board approved a new Diversity, Equity and Inclusion Statement.

"The American School in London (ASL) is committed to building and sustaining a diverse, equitable and inclusive school community. Our strength is in our diversity. We are committed to providing equitable access to all facets of school life. ASL is dedicated to fostering an inclusive school environment in which members can thrive and be themselves in a fully authentic manner.

ASL upholds the right to an educational experience in which diverse identities, experiences and ideas are recognized and human dignity is affirmed. Diversity develops better collaborators, braver explorers, stronger communicators, greater innovators and deeper thinkers. From the time children enter the School, they learn to celebrate their differences and similarities, confront stereotypes and biases, and develop an understanding of historical and contemporary struggles and victories in the face of injustice. Through this education, students are empowered to advocate for a more just world and acquire the skills to be courageous global citizens.

Creating a diverse, equitable and inclusive school community is an ever-evolving journey. We challenge ourselves to do this work on a personal and institutional level, with empathy and mutual respect. Building and sustaining a diverse, equitable and inclusive school community is the responsibility of all. Our commitment to diversity, equity and inclusion holds the promise of a better future for all our children "

The new statement was developed from surveys, focus groups and interviews with faculty, staff students and families. The goal of the statement is both reflective and aspirational reflecting calls for action, authenticity and accountability to create a better future for our students. An Action Plan framework with five streams is being implemented to progress this work.

COMMUNITY SERVICE ACTIVITIES

The School recognizes that we have a civic responsibility to our students, families and neighbours to engage with and strengthen our local community. Community Action is an integral part of being a student at ASL. ASL has appointed two full time members of faculty to oversee this work. Through a wide range of partnerships with schools, youth agencies, elderly centres and homeless charities, ASL places itself at the heart of our West London community, learning from and with the people we serve.

Supporting Young People

As an educational institution, we are passionate about growth, learning, and helping all young people achieve their potential. We are very focused on strengthening the educational opportunities available to young people across our community. Toward this end we have forged strong and productive partnerships with a wide range of local youth organizations and schools. Highlights of our work with young people include:

young POWER; this highly successful and popular equity, inclusion and social action conference for Sixth Formers we deliver in close partnership with Westminster Academy. Last year's program engaged 130 young people from 8 local schools focusing on the theme of 'Healing our Communities.' A second KS3 conference was cancelled due to the lockdown.

Trustees' report (continued)

West London Model United Nations conference, an annual student-organized program, helping 230 students from 16 local schools develop skills in literacy, oracy, research and citizenship as they prepare for our annual conference. ASL high school students and teacher provide schools with training to prepare for this event, as well as developing extensive educational resources.

High School Community Partnerships: Through our after-school community partnerships students work after school directly with people from the broader London community. Programs take place in a variety of settings—including youth centers, schools, playgrounds, and shelters — and they give students the chance to work with people in a wide range of circumstances. Students commit to join a team of volunteers visiting a site once week for a "sport season." ASL offers between 14-17 such programs per week, involving more than 120 students and teachers each week.

Holiday Giving Tree Program: Students organized a drive through which presents were purchased for 120 homeless young people at Doorstep; books and school supplies were purchased for approximately 100 students from the Winch; as well as providing funds to enable a Christmas party for Rugby Portobello clients.

Our highly regarded Saturday **Shine program**, through which teachers and student volunteers helped deliver an 18-week enrichment program for 18 Key Stage 3 students identified as being in need of support by their secondary schools.

Barrow Hill Junior School projects: We have developed an extremely positive relationship with Barrow Hill Junior School. Projects this year included:

- A series of second grade classes on identity, co-taught with Barrow Hill Junior School, culminating in a shared art project involving students from both schools, facilitated by Kite Studios.
- A dance club, delivered at the school weekly by our students, as well as a five session sustainable art club.

Engaging the Elderly

Loneliness is endemic in modern society. We see engagement with the elderly as a mutually beneficial aspect of our programming and we have very strong links with our local elderly centers. Key initiatives include:

- Hosting 300 elders at our 3 pre-theater/concert teas.
- Engaging 60 elders in regular connection sessions with our Grade 5 students.
- Organizing visits to three local elder centres as part of our 10th grade Health Curriculum. Each ASL students visits a center 4 times. Last year this equated to 360 volunteer hours (half the usual amount due to lockdown).
- ASL parents play a key role supporting the annual Christmas lunch for elders at the local Danubius hotel.

Care for the Local Community

Last year we hosted one Community Service Day which involved more than 300 ASL students and parents, providing three hours of gardening, painting, cleaning and tidying at our 13 partner youth agencies, elderly centers, and schools. (Approximately 1200 volunteer hours.)

Trustees' report (continued)

During Lockdown

- We held an online forum in which we invited three local organizations to present and discuss the challenges facing them as they responded to the COVID crisis. As a result our senior class raised £500 to benefit these charities and support the work they do.
- We organized letters of love from our Grade 5 and primary students to isolated local elders.
- We sent 20 care packages to young people at the Englands Lane Hostel.

OTHER ACTIVITIES AND ACHIEVEMENTS:

1. The Lower School administration has formed a cross disciplinary committee to complete a full review of the current IPoP and child care program to reflect the needs of a changing demographic of families where parents are working. This review will be completed next year with implementation in the school year 21-22.
2. The Middle School created a new faculty position of Community Action Integrationist, working across all MS grades and departments to craft learning outcomes focussed on engagement with and awareness of local community issues.
3. The High School implemented a new Wellbeing Grade 9 framework that integrated multiple components of an interdisciplinary curriculum to support the development of early adolescents.
4. The Lower, Middle and High Schools successfully transitioned to Distance Learning during the COVID-19 pandemic. This was an all-encompassing project, involving academic, social, and emotional frames of transition, leadership, and collaboration across all segments of the High School faculty and staff.

RISK MANAGEMENT AND PRINCIPAL RISKS AND UNCERTAINTIES

In line with the Charities SORP 2015, the Trustees participate in annual risk management reviews. This year the Risk Group of Committee Chairs individually reviewed over 100 risks identified under four headings: Strategic, Operational, Financial and Compliance. The individual evaluations were compared and circulated for collective discussion. Additionally, the Risk Group performed a pre-mortem to provide a holistic perspective on high impact risks. A report of the conclusions and mitigations was produced and then reviewed by the Admin/Finance Committee and subsequently the full Board. The principal risks and uncertainties that the Trustees identified are:

Demand Side Risks including: (i) Severe market downturn from sudden crises like pandemic, Brexit or market collapse, (ii) long-term market decline, (iii) reduction of international secondments to London causing families to leave London. These events will drive significant drop in student numbers and pressure on income from tuition, donations and endowment.

Mitigation – Adapt the school buildings and transport to provide a safe and secure environment for students and staff; adopt and enhance Distance Learning Program (DLP) for use when necessary; increase acceptances of qualified students on wait list; maintain, enhance and use reserves while adapting program and reducing the cost base.

Dramatic Event Risks including: School premises badly damaged, serious accident to students or employees and safeguarding or other security breach.

Mitigation – Use brokers to ensure adequate insurance. Safety and security of school activities and assets (physical and cyber) is reviewed by external experts and their report is then considered by Buildings and Grounds Committee with associated funding allocated by Admin/Finance Committee. Safeguarding training refreshed annually with lead members on Board and SLT and held as a community-wide responsibility;

Socio-political-economic Risk: Public opinion viewing unfavourably Independent schools and leading to a change in regulatory burdens, constraints, taxes which may occur alongside demand side risks discussed above.

Mitigation – Quantify the impacts and likely elapse time to implement changes; maximise public benefits; keep policy proposals under review and work with representative bodies and professional associations to be informed about and mitigate the impact of any proposed changes.

Unaffordability: The school has high staffing levels for its distinctive academic and extra-curricular programs where increasing costs mean that it could become unsustainable for the School to maintain in light of developments in demand.

Mitigation – The school has unmet demand and monitors key statistics for ourselves and competitor schools. We continue to maintain and enhance the reserves to cover for income risk. This is sufficient to provide time to restructure or to adapt program / cost base in the face of any drop in demand.

Trustees' report (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Consolidated Statement of Financial Activities on page 25 shows how the School's incoming resources have been generated and how they have been expended during the year together with the results of the subsidiary company and the closing balances on each of the reserves.

Incoming resources increased from £46.3M to £46.9M during the year due mainly to the increased tuition fee income (£1.4M) and Government grants received for furloughing staff unable to work (£0.6M) offset by a drop in donation income of (£1.2M) and in other educational and trading income (£0.4M).

Net incoming resources for the year amounted to £2.1M (2019 – £1.7M) and as a result, the total unrestricted reserves increased by £0.4M, the restricted reserves increased by £0.6M and the endowment increased by £1.0M. As shown in note 12, there are sufficient net assets to meet the obligations of the Restricted Reserves. Net cash inflow from operations for the year was £1.1M (2019 - £4.9M) as shown in the Cash flow Statement on page 27 with the cash and cash equivalent balances at the level of £31.9M compared to £30.5M last year.

The subsidiary company income was £318K (2019 - 381K) in the period and the expenses £247K (2019 - 281K) resulting in profit of £71K (2019 -100K profit). The financial statements and this Report comply with statutory requirements and the Statement of Recommended Practice: ("Charities SORP (FRS 102)").

GOING CONCERN AND THE IMPACT OF COVID-19

The School's long-term financial viability is supported by a strong cash flow, significant cash balances, detailed financial projections, a sufficient level of reserves and endowment and a tradition of fundraising and a good relationship with our key donors. The Board has reviewed its liquidity, its solvency, its loan covenants, enrolment for the 2020-21 year, volatility and increased level of reserves. The school has, therefore, a reasonable expectation that it has sufficient resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of the signing of this report. The Trustees believe that there are no material uncertainties that call into doubt the ability of the School to continue as a going concern.

The impact of the coronavirus outbreak has required all charities to reassess their financial position and continuing ability to operate as a going concern. Covid-19 caused the school to close its buildings and instead operate a distance-learning program (DLP) from March through to the end of the school year. The feedback was generally positive despite the difficult circumstances. The school twice surveyed students, families, faculty and staff in addition to receiving many other communications and suggestions from families concerning the DLP. The Board held three additional meetings in the year, along with the members of the SLT, to review the ongoing teaching and other operations and to plan for the reopening of the school in September. The school developed a continuum of operational plans to cover a range of conditions based on four different scenarios: 1) Nearly normal operations; 2) Moderate adaptations; 3) Limited number of students on campus and 4) Campus closure. The school opened for the 2020/21 year using scenario 2) while also modifying the DLP in the light of the school's own experience and feedback, and with information from other schools. The reopening plan included physical, operational and logistical changes designed to mitigate the risks posed by the pandemic. The new practices were based on UK guidance for schools, the advice of the CDC and other experts and endeavoured to exceed and enhance best-practice recommendations to minimize risk. The school believes that its mission to educate our students and prepare them to become lifelong learners and courageous global citizens is as important as ever in this environment and the school continues to be attractive to families with high proportions re-enrolling and new families also applying for the start of the 2020/21 year.

Trustees' report (continued)

The school has reviewed its financial position in light of the coronavirus. While the campus was closed, the school was able to benefit from the government's furlough scheme, which enabled us to retain employees who would have been idle over this period. Approximately 70 employees were furloughed, while the school ensured that their overall income was not reduced. The school postponed non-essential maintenance works because it was unlikely that the social distancing restrictions would have allowed the planned works to be completed before the school restarted. That work and the associated costs have been deferred and there is a reserve to cover those costs. Every year the school has relied on the generosity of our community for our Annual Fund donations which supports our programmatic and financial aid budget. For this year, the school received a generous £1.5 million but did not achieve its goal. The school, however, did also receive £0.5 million of donations for the community support fund to provide discounted seats for students of families who might be suffering temporary hardship because of the pandemic. The school understands that during these times of economic uncertainty we may not achieve our previous fundraising goals. The school has also lost non-tuition based income from programs such as summer camps at the end of last year and this pattern is expected to continue into 2020/21.

The Board discussed financial scenarios for 2020/21 and decided that the tuition fees would remain at 2019/20 levels and removed the previously communicated tuition increases. While there are increased costs for additional physical safety measures, for potentially increased staffing costs to cover for Covid-19 staff absences and related contingencies, savings can be achieved on school trips and some other activities. The school's reserves have been established for circumstances like these and may be called upon for an unanticipated shortfall.

The school has an outstanding loan of £27 million, which was refinanced earlier in the year at a fixed rate of interest and with the first capital repayment of £6 million not due for 10 years. This has removed the debt refinancing risk, which the school would otherwise have faced.

Since the beginning of the school year, the school has reopened as planned putting in place enhanced safety measures that are more extensive of the government guidance, including mandatory wearing of masks. The enrolment for the year is likely to be around 1,350 students which is close to the budgeted level.

RESERVES LEVEL AND POLICY

The School's total reserves of £65.5M comprise £22.8M related to permanent endowment, £1.9M of expendable endowment, £1.0M of Restricted Reserves and £39.8M of Unrestricted Reserves. These reserves are broken down further in Notes 12 and 13 where the purpose of the reserve, the movement during the year and the balances at 30 June 2020 are set out. The Plant reserve has increased by £581k this year to enable works postponed from the last summer to be carried out in this coming year and the Building and Equipment reserve has also increased by £198k to ensure that there are sufficient funds to cover health and safety and cyber-security during the pandemic.

The Unrestricted Reserves of £39.8M are represented by £56.5M of the net book value of fixed assets less the associated funding by bank loans of £27M leaving free reserves of £10.3M. However, in accordance with the School's Reserves Policy, the Unrestricted Reserves are reviewed and may then be designated for specific purposes as set out in Note 13a). Specific reserves provide funds for future expenditure or potential contingencies identified through the Risk Review are called Designated Reserves and the major reserves are identified in the School's Reserves Policy. These Designated Reserves totalled £8.9M at the end of the year, which was within target range of £8M to £11M.

Trustees' report (continued)

The Policy recognises the need to establish an unrestricted operating reserve to cover the financial risk to the School from any short-term decline in enrolment income due to general economic factors beyond the School's control. This Designated Reserve is called the Enrolment Reserve. Enrolment levels have fluctuated significantly over the history of the School and the target level of the reserve is reviewed annually and historically has been set at between 8% and 12% of tuition income. In the context of the Covid19 epidemic, the Board has increased the reserve to £5.35M, which is 13% of tuition income.

The Trustees are committed to assuring the School's long-term physical viability and financial health and so have established a long-term Designated Facilities reserve. This provides funds either to pay down debt incurred to fund capital project or to fund new facility projects. The balance on the reserves at the end of the year of £562K is set aside for the partial repayment of the outstanding loan in 10 years' time

The school also has a Designated Plant Reserve to ensure that it has funds available to cover the costs, which fluctuate annually, of the long-term maintenance plan to help assure the quality of its buildings and facilities. The value of this reserve has increased this year to account for the deferral of works originally proposed for this summer. Those works were deferred due to the uncertainties over the imposition of lockdown and social distancing in the periods for contracting and performing the proposed works. The plan is to review and possibly re-specify the works to take place next summer.

In addition, the School has slightly increased its Emergency Building and Equipment Reserve to provide funds for emergency repairs and improvements, including for physical, cyber and health security.

The school has a Staff Cost Reserve, which will allow it to absorb some additional costs of reorganising work if employee ill health or circumstances require it.

The school retains a New Initiative reserve to allow it the Head of School to take advantage of an opportunity and respond to local changes.

Notes 12 and 13a) to the financial statements set out the Designated Reserve balances at 30 June 2020, the movements during the year and the anticipated uses of the reserves in the future

INVESTMENT POLICY AND OBJECTIVES.

During 2019/20, the Trustees reviewed and updated the Investment Policy. The policy includes updated guidance on Investment Objectives, Risk, Liquidity, Time Horizon, Management Reporting and Monitoring with expanded sections on Environmental and Socially Responsible Investment and Corporate Governance and of Strategy Implementation, which clarifies the responsibilities of the Board and the Investment Committee.

The policy states that the investment of reserves should emphasise the preservation of capital and certainty of value to provide for contingencies. The school is also building up its endowment, which should be invested to grow at least in line with inflation to preserve value for future beneficiaries and to generate positive returns for current operations.

J. P. Morgan are the Investment managers for the endowment and there are no specific restrictions on the company's powers in respect of the endowed investments, which are administered in accordance with the Trustee Act 2000. The current targeted annual draw from endowments over the long term is 4% after inflation and expenses.

Trustees' report (continued)

INVESTMENT PERFORMANCE

The year has been difficult for investments as the coronavirus impacted people, societies and businesses across the world. The school, like other investors worldwide, have used their investment managers to mitigate the difficulty of the current situation and remain mindful of the possibility of further significant declines in values of investments while wanting to position the portfolio for recovery. In a difficult year, the Endowment has generated a Net investment gain of £232K.

A total of £706K bank and interest income was generated for the year with £154K generated from unrestricted funds and the Endowment funds generating 552K. A draw of £700K for operations was made in 2019/20.

The school recognizes that the ongoing pandemic raises the possibility of volatility and greater downside risk but this risk is managed by professional external managers with oversight by a dedicated trustee committee. The annual draw of £700k is very important to the school but it needs to be set in the context of the almost £40 million generated from tuition revenue.

TOTAL RETURN ACCOUNTING

The Charity Commission permitted the School to adopt the use of total return in relation to its permanent endowment on 12th April 2007. The power permits the Trustees to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised, the total return shall be an 'unapplied total return' and remain as part of the permanent endowment.

The Trustees have used the values of the permanent endowments at 30th June 2001 of £371K to represent the 'Preserved Value' of the original gifts. In deciding how much of the unapplied total return to allocate to income, the Trustees take into account the current expenditure needs of the School and the need to ensure that future students benefit too from the endowments.

Compliance with the strategies set out above and actual investment performance is reviewed by the Investment Committee at least three times a year against the relevant benchmarking index. During the past year, the Committee met four times. The Total Return amounted to £635K as shown in Note 13(c), which represents 1.88% of the average endowment value of £22.6M. £700K was allocated to income from the permanent endowment and £179K from the expendable endowment in 2019/20. Unapplied total return at 30th June 2020 was £2.09M.

FUNDRAISING PERFORMANCE

The tradition of philanthropy and volunteerism is an established and important aspect of life at ASL. The volunteer-run Annual Fund solicited parents of current students, our faculty and staff, alumni and parents of alumni who generously donated £1.5M of unrestricted giving this year. In addition, the School received a further £1.8M in restricted gifts for specific purposes. Fundraising is undertaken by affiliated organisations of, primarily, volunteer groups of parents and alumni, supported by members of the Advancement team.

The school subscribes to the Fundraising Regulator and adheres to the Code of Fundraising Practice when undertaking fundraising activity. There are no professional fundraising organisations used and so no monitoring processes required. Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received no complaints in the year. The school takes its responsibility to anyone who might be vulnerable very seriously and this will continue to be considered in the School's approach to fundraising activity.

Trustees' report (continued)

VOLUNTEERS

Our School community is continually enriched by the volunteer activities of many groups and individuals. The gifts of time and energy by the hundreds of parents, alumni, past parents, faculty, staff and students cannot be adequately calculated. The Board is grateful to those who are dedicated to serving the School and helping to enhance its special qualities. The Board is especially thankful to all the many volunteers of the Parent Community Association (PCA) for a great year of events and programs and to the PCA and the American School in London Foundations in the US and in the UK for their fundraising and generous grants to the school. Funds raised have benefited the students in cross-divisional and cross-disciplinary projects.

GREENHOUSE GAS EMISSIONS

The school's greenhouse gas emissions for the financial year were equivalent to 915 tonnes of carbon dioxide which equates to 4,276,007 kilo-Watt-hours (kWh) of energy and has undertaken 2 energy efficiency actions (EEA) in this reporting year

This information has been compiled in line with new (March 2019) "Environmental Reporting Guidelines" (SECR). Energy consumption data has been taken from invoices issued for the financial year and meter reads for smaller energy supplies. Transport energy has been calculated from miles travelled. Leased accommodation has been excluded as the energy consumption at these properties is immaterial and the responsibility of the tenant, so there is no readily accessible data available for evaluation. All sites and companies in the UK have been included in the reporting though small electrical supplies have been estimated by deducting the closest meter reading pre July 2019 from the meter reading taken on the 30/06/2020. Only environmental impacts from greenhouse gasses (GHG) are included in this report. Environmental impacts from water, water, resource efficiency, ecosystem interaction and non GHG emission are considered separately and are outside the scope of this report. The report has been limited to scope 1 and scope 2 emissions with scope 3 emissions for grey fleet travel as required by SECR reporting. The data and information included in this report has been compiled and verified by independent consultants.

Table 1 shows the GHG emissions for The American School in London in tonnes of carbon dioxide equivalent for the year and there is no information available for prior years.

	Emission Source	2019/20 Energy (kWh)	2019/20 Emissions (tCO ₂ e)
Scope 1	Gaseous Fuel	2,478,379	455.6
	Passenger Vehicles	1,961,000	0.5
	Sub Total	2,480,340	456.2
Scope 2	Grid Electricity	1,795,667	459.0
	Sub Total	1,795,667	459.0
Total Emissions		4,276,007	915.2

Trustees' report (continued)

Table 2: Underlying Energy Use

Intensity Ratios

The tables below show the intensity ratios for the organisation

Type	2019/20 kWh/Students	2019/20 tCO ₂ e/Students
Occupancy	3,166	0.7

Energy Efficiency Actions Taken

During the year, the following efficiency actions were taken:

Category	Title	Description
HVAC	Fan coil unit upgrade	Fan coil units upgraded in the upper school
Lighting	LED Upgrades	LED lighting installed in the main production areas with occupancy controls

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Directors consider the relevant actions of the Board are described throughout the Trustees report. Taking the areas required for disclosure in turn:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Trustee Directors as set out in the Going Concern section of the Directors' Report. Specifically, the Directors consider both operating results and financial projections and the key risks that could negatively impact the sustainability of the school. The Admin/Finance Committee and the Board Directors reviews management information, budgets, forecasts, cash flow projections and progress against budget on a regular basis. Risk management (Page 12) and the level of reserves (pages 14-15) are also discussed further in the report.

b. The interests of the company's employees

In relation to employee engagement, the Directors receive regular reports from management on the mood of the employees and speak directly to representatives of the faculty and staff associations when reviewing the pay and conditions with them annually. Further details of employee involvement are discussed in the report (Page 8).

c. The need to foster the company's business relationships with suppliers, customers and others

In relation to key stakeholder engagement, the Directors work closely with the families of the children in ASL. The Directors communicated with families directly through the online Portal during the Covid-19 pandemic, provide an annual report to the community which i) recognises the time and resources our community of volunteers dedicate to the school and ii) describes the impact of that generosity. The Board works closely with the Parent Community Association (PCA) whose members provide most of the volunteer effort for the school. Every year the PCA hosts a General Meeting open to all families at which there is a presentation by the Chair of the Board and other Directors on the School's governance structures and how tuition level decisions are made.

In accordance with the American School in London's standard payment terms, supplier payment is due within 30 days after the School receives the invoice from the supplier.

d. The impact of the company's operations on the community and the environment

The Directors have commissioned an independent review of energy use and has provided a review of Greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The Directors are proud of the Community Service Activities of the students which are described in more detail in that section of the Trustees' report (Pages 9-11).

e. The desirability of the company maintaining a reputation for high standards of business conduct

The American School in London takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption.

f. The need to act fairly as between members of the company.

The Directors understand the Charity Commission requirements and understand the need to avoid and manage potential conflicts of interest. The Company is limited by guarantee so does not have share capital with the result that issues relating to Director shareholders or relations between majority and minority shareholders do not apply.

Trustees' report (continued)

FUTURE PLANS

The Trustees have approved the following specific goals for the School year 2020/21:

Responsibilities

1. Support, nurture and evaluate the Head of School.
2. Ensure ASL's adherence to its Mission Statement and monitor institutional performance and accreditation status.
3. Support the implementation of short, medium and long-term strategic initiatives and the development of new strategic plans.
4. Ensure financial well-being and prudent institutional management consistent with Board governance policies and applicable UK and US regulations and codes.
5. Demonstrate support, stewardship and leadership through active participation in the Board's advancement activities, philanthropic commitment to the School, and engagement in defining ASL's culture and community.
6. Promote exceptional Board governance and leadership by ensuring that Board composition reflects the diversity of the community and delivers the expertise and resources needed by the School.

2020-21 Priorities

1. Oversee the management of risks to the school and its community due to the impact of Covid-19, and provide ongoing support to the HOS for this critical work.
2. In order to build and sustain a diverse, equitable and inclusive school community, commit to the work and actions required to understand and address systemic racism at ASL, as led by the Board's DEI Task Force.
3. Continue to undertake strategic design work within the context and limitations of both the global pandemic and Brexit.
4. Review metrics to measure and monitor the process to oversee mission adherence consistent with the new mission and the achievement of outstanding institutional performance.

Trustees' report (continued)

AUDITOR

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This Trustees' Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



George Hatzmann
Secretary

Date: 3 December 2020

Independent auditor's report to the Members and Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AMERICAN SCHOOL IN LONDON EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of The American School in London Educational Trust Limited for the year ended 30 June 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, the Consolidated Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2020 and of the group's incoming resources and application of resources 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material that may cast significant doubt about the group's or the charitable company'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.

Independent auditor's report to the Members and Trustees

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' 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:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the Members and Trustees

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

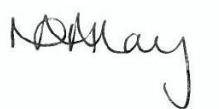
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 taken together, 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 auditor's report.

Use of our report

This report is made solely to the charitable company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions, we have formed.

This report has not yet been signed



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 22nd December 2020

Consolidated Statement of financial activities
For the year ended 30 June 2020

	Notes	Total	Restricted		2020	2019
		Unrestricted	Other	Endowment	Total	Total
		£,000	£,000	£,000	£,000	£,000
Income from						
Charitable activities:						
Fees receivable	2a	40,700	-	-	40,700	39,385
Other educational income	2b	1,333	-	-	1,333	1,708
Other trading activities	2c					
Non-ancillary trading		318	-	-	318	380
Other income	2d					
Government grants		583			583	-
Investments						
Bank and investment income		154	-	552	706	418
Donations and legacies						
Donations		1,479	747	1,014	3,240	4,374
		<u>44,567</u>	<u>747</u>	<u>1,566</u>	<u>46,880</u>	<u>46,265</u>
Expenditure on						
Raising funds:						
Non-ancillary		(318)	-	-	(318)	(402)
Fundraising costs		(579)	-	-	(579)	(613)
Financing costs		(672)	-	-	(672)	(709)
		<u>(1,569)</u>	<u>-</u>	<u>-</u>	<u>(1,569)</u>	<u>(1,724)</u>
Charitable activities:						
School operating costs		(42,576)	(104)	(627)	(43,307)	(43,196)
Total resources expended	3	<u>(44,145)</u>	<u>(104)</u>	<u>(627)</u>	<u>(44,876)</u>	<u>(44,920)</u>
Net investment gain	9	-	-	84	84	317
Net income/(expenditure) before transfers		422	643	1,023	2,088	1,661
Transfers between reserves	7	901	(21)	(880)	-	-
Net movement in reserves in the year		<u>1,323</u>	<u>622</u>	<u>143</u>	<u>2,088</u>	<u>1,661</u>
Balances brought forward at 1 July		<u>38,470</u>	<u>403</u>	<u>24,608</u>	<u>63,481</u>	<u>61,820</u>
Balances carried forward at 30 June		<u>39,793</u>	<u>1,025</u>	<u>24,751</u>	<u>65,569</u>	<u>63,481</u>

All of the above are represented by continuing operations.

There are no recognised gains or losses other than those shown in the statement of financial activities. The accompanying notes are an integral part of this statement.

Consolidated Group and Company and Balance sheet
For the year ended 30 June 2020

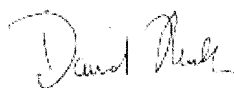
	Notes	Group 2020 £,000	Group 2019 £,000	Company 2020 £,000	Company 2019 £,000
Fixed assets					
Tangible assets	8	56,508	58,608	56,508	58,608
Investments	9	<u>22,818</u>	<u>22,337</u>	<u>22,818</u>	<u>22,337</u>
		79,326	80,945	79,326	80,945
Current assets					
Stock		29	26	29	26
Debtors	10	1,436	1,603	1,436	1,603
Current asset investments		1,933	2,271	1,933	2,271
Cash at bank and in hand		<u>31,891</u>	<u>30,524</u>	<u>31,814</u>	<u>30,420</u>
		35,289	34,424	35,213	34,320
Creditors: Amounts falling due within 1 year	11a	<u>(22,046)</u>	<u>(25,943)</u>	<u>(21,971)</u>	<u>(25,840)</u>
Net current assets		13,243	8,481	13,242	8,480
Total assets less current liabilities		92,569	89,426	92,569	89,425
Creditors: Amounts falling due after 1 more than 1 year	11b	<u>(27,000)</u>	<u>(25,944)</u>	<u>(27,000)</u>	<u>(25,944)</u>
Total net assets		65,569	63,482	65,569	63,481
Financed by:					
Accumulated reserves					
Unrestricted reserves:					
General		30,849	32,403	30,849	34,402
Designated	13a	<u>8,944</u>	<u>6,068</u>	<u>8,944</u>	<u>6,068</u>
Total unrestricted reserves		39,793	38,471	39,793	38,470
Restricted	13b	1,025	403	1,025	403
Endowments	13f	<u>24,751</u>	<u>24,608</u>	<u>24,751</u>	<u>24,608</u>
		65,569	61,482	65,569	63,481

The net result for the financial year dealt with by the financial statements of the parent charity was a surplus of £2,085K (2019: £1,662K).

The financial statements on pages 25 to 46 were approved by the Board and authorised for issue on 3 December 2020.

Signed on behalf of the Board

David Novak, Trustee



Erin Roth, Trustee



The accompanying notes are an integral part of this balance sheet.

Consolidated cash flow statement
For the year ended 30 June 2020

	Notes	2020		2019	
		£,000	£,000	£,000	£,000
Net cash inflow from operations					
Net cash provided by operating activities	i		<u>1,089</u>		<u>4,883</u>
Cash flows from investing activities					
Payments for tangible fixed assets		(798)		(2,570)	
Payments to acquire investments		-		(927)	
New money waiting investment		(424)		(258)	
Investment Income (Dividends and interests)		(232)		(253)	
Disposals of investments		320		-	
Bank interest and investment income receivable		<u>386</u>		<u>418</u>	
Net cash provided (used in) investing activities			<u>(748)</u>		<u>(3,590)</u>
Cash flow from financing activities					
New endowment		1,014		1,071	
New loans	iii	27,000		-	
Loans repaid	lii	(26,314)		(1,350)	
Bank interest payable		<u>(672)</u>		<u>(709)</u>	
Net cash provided by financing activities			<u>1,028</u>		<u>(988)</u>
Change in cash and cash equivalent in the reporting period			<u>1,367</u>		<u>305</u>
Cash and cash equivalents at the beginning of the period			<u>30,524</u>		<u>30,219</u>
Cash and cash equivalents at the end of the reporting period	ii		<u>31,891</u>		<u>30,524</u>

Cash flows have not been affected by charity law restrictions on the use of restricted funds. The accompanying notes are an integral part of this cash flow statement.

Notes to Cash flow statement

i. Reconciliation of net income to net cash from operating activities

		2020		2019
	£,000	£,000	£,000	£,000
Net income before transfers		2,085		1,662
Elimination of non-operating cash flows:				
- Investment income	(706)		(418)	
- Endowment donations	(387)		(1,071)	
- Finance costs	672		709	
- Unrealised investment (gain)	(84)		(317)	
Depreciation	2,899		3,117	
Decrease in debtors	166		161	
Increase in creditors excluding bank loans	(3,898)		859	
(Increase)/decrease in current asset investments	338		185	
Decrease/ (increase) in stocks	4		(4)	
		<u>(996)</u>		<u>3,221</u>
Net cash inflow from operations		<u>1,089</u>		<u>4,883</u>

ii. Analysis of cash and cash equivalents

	2020	Cash flow movement in the year	2019
	£,000	£,000	£,000
Cash at bank	22,569	281	22,288
Deposits	<u>9,322</u>	<u>1,086</u>	<u>8,236</u>
	<u>31,891</u>	<u>1,367</u>	<u>30,524</u>

iii. Analysis of movement in loans

	2020	New loan	Repayment	2019
	£,000	£,000	£,000	£,000
Bank loan falling due within one year	-	-	(370)	370
Loans falling due after one year	<u>27,000</u>	<u>27,000</u>	<u>(25,944)</u>	<u>25,944</u>
Total loans	<u>27,000</u>	<u>27,000</u>	<u>(26,314)</u>	<u>26,314</u>

Notes to the financial statements

1 Summary of accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS 102 – effective 1 January 2015.

The functional currency of the School is considered to be Great Britain Pounds (GBP) because that is the currency of the primary economic environment in which the School operates.

The financial statements of the School are drawn up under the historical cost basis of accounting, as modified by the revaluation other investments.

The Financial Statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School with its wholly owned subsidiary ASL Enterprises Limited. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has taken advantage of the FRS 102 exemption from preparing its own entity statement of cash flows. The School has taken advantage of the exemption under section 408 of the Companies Act 2006 not to publish its own income and expenditure account.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated in 1963 (Company No: 783923) and registered as a charity with the Charities Commission (Charity No: 312738).

Critical accounting judgements and key sources of estimate and uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Financial instruments

Basic financial instruments are initially recognised at transaction value, subsequently measured, and amortised with the exception of investments, which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Notes to the financial statements (continued)

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to Pounds Sterling at the balance sheet date at an appropriate year-end exchange rate.

b) *Tangible fixed assets*

Tangible fixed assets except investment assets, are shown at cost and depreciated at annual rates calculated to write off their cost less estimated residual values over their expected useful lives, the rates for which are currently as follows:-

Long Leasehold Land	0.4% straight-line
Building Extension and Refurbishment	5% straight-line
Motor Vehicles	25% straight-line
Buildings	2% straight-line
Furniture and Equipment	10-25% straight-line
Laptops provided to students	50% straight-line

No depreciation is charged on freehold land.

Expenditure on fixed assets, which cost more than £250, is capitalised.

c) *Stock*

Stock consists primarily of stationery supplies and is stated at latest invoice cost, which approximates purchase cost.

d) *Taxation*

As a charity, the School's income falls within the exemptions granted by the Corporation Tax Act of 2010. The School is therefore not subject to taxes on income and chargeable gains.

e) *Pension costs*

The company contributes to the purchase of supplementary pension rights staff as described in note 14. Pension costs are charged on an accruals basis.

f) *Accounting for foreign currency transactions*

Certain transactions take place in foreign currency and are translated into sterling at the rates of exchange at the date of the transaction. All foreign currency balances at the year-end are translated into sterling at the year-end rate of exchange and any gain or loss is credited or charged to the statement of financial activities.

g) *Investments*

The portfolio of investments in unit trusts is stated in the financial statements at market value. Investment income includes gross dividends receivable. Realised and unrealised capital gains and losses are shown separately in the balance sheet.

h) *Fees receivable*

Fees receivable represent tuition fees, transport, summer school and other fees receivable by the company during the year – see note 2.

Fees are recognised on an accruals basis. Fees received in advance represent amounts received prior to the company's year-end in respect of the next semester. Fees receivable are stated after deducting financial aid. Restricted donations for financial aid are disclosed separately.

Notes to the financial statements (continued)

i) *Donations*

Donations are recognised on a receivable basis when there is entitlement, the amount can be measured and receipt is probable.

Donations for specific projects are disclosed as restricted donations. When restricted donations are received for capital expenditure projects they are accounted for in a restricted reserve until the purchase of the asset or the expenditure on the specific project occurs. At this point, the funds and any subsequent funds received are transferred to unrestricted funds as corporate reserves – see note 7.

Donations for endowment funds are disclosed separately as part of Restricted Reserves on the statement of financial activities – see notes 13b to 13f.

Other donations, which include Annual Fund receipts, are shown as unrestricted donations.

j) *Total Return accounting*

The Charity Commission permitted the School to adopt the use of total return in relation to its permanent endowment on 12th April 2007. The power permits the trustees to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised, the total return shall be an ‘unapplied total return’ and remain as part of the permanent endowment – see note 13c. The trustees have used the values of the permanent endowments at 30th June 2001 to represent the ‘Preserved Value’ of the original gifts. This was just after receipt of its second major gift of permanent endowment. In these Financial Statements, the allocation to income is now shown as Other Income rather than in previous years as a transfer between reserves.

k) *Allocation of costs to categories of resources expended*

All expenditure is accounted for on an accruals basis. Costs are allocated between the cost of generating funds and the actual cost of charitable activities by identifying the direct costs related to these activities. Any indirect costs are then apportioned on the basis of staff time. Charitable expenditure costs are also allocated to the different categories by direct costs where possible. Some compensation costs are apportioned on the basis of salary costs per category.

Support costs comprise all the costs of running the non-teaching and non-fund raising departments of the School such as Admissions, Communications and Finance. Salaries represent 90% of support costs.

Depreciation is included as part of premises costs.

Governance costs are only those related to the management and administration of the charity. They include both direct costs of the external audit and any legal advice to the Trustees plus a proportion of management and other staff time together with related overheads.

l) *Going Concern*

The School’s long-term financial viability is supported by a strong cash flow, significant cash balances, detailed financial projections, a sufficient level of reserves and endowment and a tradition of fundraising and a good relationship with our key donors. The Board has reviewed its liquidity, its solvency, its loan covenants, enrolment for the 2020-21 year, volatility and increased level of reserves. The school has, therefore, a reasonable expectation that it has sufficient resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of the signing of this report. The Trustees believe that there are no material uncertainties that call into doubt the ability of the School to continue as a going concern.

Notes to the financial statements (continued)

2a Fees receivable	2020	2019
	£,000	£,000
Gross tuition fees	43,987	42,021
Less: Financial Aid	<u>(4,509)</u>	<u>(4,128)</u>
Net tuition fees	39,478	37,893
Other fees:		
Gross Transportation	831	1,200
Less: Financial Aid	<u>(106)</u>	<u>(116)</u>
Net Transportation	725	1,084
Applications and retentions	<u>497</u>	<u>409</u>
	<u>40,700</u>	<u>39,385</u>
2b Other educational income	2020	2019
	£,000	£,000
Gross Trips	226	606
Less: Financial Aid	<u>(13)</u>	<u>(39)</u>
Net Trips	213	567
Summer, After School programs and other income	1,201	1,240
Less: Financial Aid	<u>(81)</u>	<u>(99)</u>
Net Non-Trips	<u>1,120</u>	<u>1,141</u>
	<u>1,333</u>	<u>1,708</u>
2c Non ancillary income	2020	2019
	£,000	£,000
Trading income from membership fees and swimming lessons	<u>318</u>	<u>380</u>
2d Government grant	2020	2019
	£,000	£,000
Grants relate to the furlough of staff not working from the period March to June 2020	583	-

Notes to the financial statements (continued)

3 Analysis of total resources expended

	Staff costs	Other	Depreciation	2020 Total	2019 Total
	£,000	£,000	£,000	£,000	£,000
<i>Charitable Activities</i>					
Teaching costs	23,653	3,485	-	27,138	26,942
Welfare	1,810	1,000	-	2,810	2,731
Premises	888	2,993	2,899	6,780	7,025
Transport	169	643	-	812	991
Support costs	5,163	502	-	5,665	5,402
Governance costs	85	17	-	102	105
	<u>31,768</u>	<u>8,640</u>	<u>2,899</u>	<u>43,307</u>	<u>43,196</u>
School operating costs					
<i>Costs of raising funds</i>					
Fundraising costs	526	53	-	578	613
Financing costs	-	672	-	672	709
Non-ancillary	223	95	-	318	613
	<u>32,517</u>	<u>9,460</u>	<u>2,899</u>	<u>44,876</u>	<u>44,920</u>

4 Net incoming/(outgoing) resources for the year before transfers

Net income/(expenditure) for the year before transfers is stated after charging:

	2020	2019
	£,000	£,000
Depreciation of tangible fixed assets	2,899	3,117
Auditors' remuneration		
- audit services	28	33
- non-audit serves	2	3
Financing costs	672	709
Staff costs – see note 5	<u>32,426</u>	<u>31,168</u>

Notes to the financial statements (continued)

5 Staff Costs

Some members of the teaching and administrative staff are employees of the American School in London Foundation (the Foundation), which is based in the United States and are seconded to the American School in London Educational Trust Limited (the "Trust") under an agreement between the two companies. Under that agreement, the Trust agrees to provide the necessary funds to cover these staffs' costs and to act as agent of the Foundation in respect of certain aspects of its employer obligations.

Total staff costs during the year amounted to:

	2020	2019
	£,000	£,000
Wages and salaries	27,225	26,322
Social security costs and NI contributions	2,809	2,614
Other pension costs	2,391	2,232
	<u>32,425</u>	<u>31,168</u>

The number of persons employed in the operation of the School during the year calculated was as follows:

	2020	2019	2020	2019
	Average	Average	FTE Number	FTE Number
Teachers and Teachers' Support	253	245	238	233
Administration	<u>115</u>	<u>111</u>	<u>109</u>	<u>108</u>
Total	<u>368</u>	<u>356</u>	<u>347</u>	<u>341</u>

The above numbers include 1 teacher / teachers' support on sabbatical leave during 2020 and 125 employees of the Foundation (2019 – 116). During the year, there was 1 redundancy or termination payment (£29K which was owing at the year-end (2019 – nil). The above numbers include 8 (2019 – 10) employees who were jointly employed by the School and the subsidiary.

Notes to the financial statements (continued)

The number of employees, including those of the Foundation, whose emoluments, including benefits in kind (excluding pensions and pension contributions) exceeded £60,000 were:

	2020	2019
	Number	Number
£60,001 - £70,000	35	33
£70,001 - £80,000	36	37
£80,001 - £90,000	57	64
£90,001 - £100,000	42	31
£100,001 - £110,000	11	12
£110,001 - £120,000	6	4
£120,001 - £130,000	1	-
£130,001 - £140,000	1	1
£150,001 - £160,000	1	3
£160,001 - £170,000	2	-
£170,001 - £190,000	2	2
£190,001 - £200,000	1	2
£200,001 - £210,000	1	-
£320,001 - £330,000	-	1
£330,001 - £340,000	1	-
	<u>197</u>	<u>190</u>

The total employers' pension contributions to the School's and Foundation's defined contribution schemes amounted to £1,721K (2019 £1,630K) in respect of the employees above.

	2020	2019
	£,000	£,000
Aggregate employee benefits of key management personnel (the SLT including the Head of School has expanded to 12 members from 10 last year)	<u>2,161</u>	<u>1,899</u>

6 Transactions with Trustees

The Trustees, with the exception of the Head of the School, received no emoluments or reimbursement of expenses. The Head of the School in accordance with the School's Memorandum and Articles of Association is a Trustee.

Her remuneration including pension contributions and benefits-in-kind was as follows:

	2020	2019
	£,000	£,000
Salary	337	328
Deferred compensation	-	-
Other remuneration including utilities and accounting	25	10
Pension contributions	<u>34</u>	<u>31</u>
Total	<u>396</u>	<u>369</u>

Notes to the financial statements (continued)

7 Transfers between reserves

The transfers from restricted to unrestricted reserves totalled £901K. The restricted fund of £21k was in respect of the use of donated funds to help pay for capital projects (Note 13b). In addition, £880K was allocated to income from Endowment with £700k from Permanent Endowment (note 13d) and £179k from Expendable Endowment (note 13e).

8 Tangible fixed assets - Group and Company

	Freehold	Building Extension and Refurbishment	Long Leasehold	Furniture and Equipment	Motor Vehicles	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Cost						
At 1 July 2019	15,453	67,696	2,430	6,679	23	92,281
Additions	-	16	-	782	-	798
Disposal	-	-	-	-	-	-
At 30 June 2020	<u>15,453</u>	<u>67,712</u>	<u>2,430</u>	<u>7,461</u>	<u>23</u>	<u>93,079</u>
Depreciation						
At 1 July 2019	571	28,112	429	4,555	6	33,672
Disposal	-	-	-	-	-	-
Charge	<u>80</u>	<u>1,986</u>	<u>39</u>	<u>788</u>	<u>6</u>	<u>2,899</u>
At 30 June 2020	<u>651</u>	<u>30,098</u>	<u>468</u>	<u>5,343</u>	<u>12</u>	<u>36,571</u>
Net book value						
At 1 July 2019	<u>14,883</u>	<u>39,584</u>	<u>2,001</u>	<u>2,124</u>	<u>17</u>	<u>58,608</u>
At 30 June 2020	<u>14,803</u>	<u>37,614</u>	<u>1,962</u>	<u>2,118</u>	<u>11</u>	<u>56,508</u>

At 30 June 2020, the Company has no capital commitments authorised and contracted for but outstanding, in respect of land and buildings refurbishment (2019 also NIL).

9 Investments – Group and Company

	2020		2019	
	Group & Company		Group & Company	
	£,000	£,000	£,000	£,000
Market value of investments brought forward		22,337		20,581
Purchases in year		-		928
New money waiting investments		165		258
Investment income reinvested		232		253
Disposals in year	(320)			
Gross investment gain in the year	535		455	
Management fee	<u>(131)</u>		<u>(138)</u>	
Net investment gain in year		84		317
Market value carried forward		<u>22,818</u>		<u>22,337</u>
Cost of investments carried forward		<u>20,267</u>		<u>20,267</u>

The total unrealised gain included above was £2,551K at 30 June 2020 (2019 – £2,070K).

Notes to the financial statements (continued)

Investments comprise:	Group & Company 2020 £,000	Group & Company 2019 £,000
Listed investments		
Fixed interest	4,422	4,579
Equities	8,287	8,549
Alternative investments	9,539	8,936
Cash	573	667
Forex	(3)	(394)
Group investments	22,818	22,337
Investment in subsidiaries	-	-
Company investments	<u>22,818</u>	<u>22,337</u>

In addition to the above investments, other endowment funds are invested as current asset investments.

The main investments for the Group are managed by J.P. Morgan Private Bank.

Notes to the financial statements (continued)

10 Debtors

Amounts falling due within one year:	Group	Group	Company	Company
	2020	2019	2020	2019
	£,000	£,000	£,000	£,000
Other debtors	1,147	1,078	1,147	1,078
Prepayments and accrued income	289	525	289	525
	1,436	1,603	1,436	1,603

11 Creditors

a) Amounts falling due within one year:	Group	Group	Company	Company
	2020	2019	2020	2019
	£,000	£,000	£,000	£,000
Fees received in advance (note 1h)	17,585	20,818	17,585	20,818
PAYE and social security creditors	1,708	1,699	1,708	1,669
Other creditors and accruals	2,753	3,056	2,678	2,953
Bank loan payments	-	370	-	370
	22,046	25,943	21,971	25,840

b) Amounts due after one year – Group and Company	30 June	Increase in	30 June
	2020	loan	2019
	£,000	£,000	£,000
Loan falling due after one year	27,000	1,056	25,944

The loans were refinanced in November 2019 for a 30-year term, with the new loan having security on certain property at the School. The interest on the loan is at a fixed rate. The first repayment instalment is after 10 years in November 2029.

12 Allocation of Group Net Assets

The net assets as at 30 June 2020 are held for the various funds as follows:

	Net Current	Loans due after	Investments	Tangible	Total
	Assets	more than 1 year		Fixed Assets	
	£,000	£,000	£,000	£,000	£,000
Permanent endowment	-	-	22,818	-	22,818
Expendable endowment	1,933	-	-	-	1,933
Restricted reserves	1,025	-	-	-	1,025
Designated enrolment reserves	5,350	-	-	-	5,350
Designated facilities reserves	562	-	-	-	562
Designated reserves – other	3,032	-	-	-	3,032
General reserves	1,341	(27,000)	-	56,508	30,849
Total reserves	13,243	(27,000)	22,818	56,508	65,569

The investment policy with respect to endowment reserves is summarised on pages 15 to 16.

The notes on pages 14 to 15 describe the purposes of the various reserves held.

Notes to the financial statements (continued)

13 Reconciliation of opening and closing Group and Company reserves

a) Designated reserves	Balance 30 June 2019	New funds designated	Resources expended	Transfer to general reserve	Balance June 2020
	£,000	£,000	£,000	£,000	£,000
Enrolment reserve	3,800	1,550	-	-	5,350
Facilities reserve	-	1,608	(638)	(408)	562
Building & Equipment reserve	564	198	-	-	762
Plant reserve	817	1,400	(819)	-	1,398
Prolonged Disability reserve	54	-	-	-	54
Staff Cost reserve	347	-	-	-	347
New Initiatives reserve	486	-	(15)	-	471
	<u>6,068</u>	<u>4,756</u>	<u>(1,472)</u>	<u>(408)</u>	<u>8,944</u>

Enrolment reserve

The enrolment reserve represented approximately 13% of tuition income at 30 June 2020. The School undertakes regular reviews of the level of this reserve. While enrolment in the last couple of years has been stable, enrolment is impacted by external socio-economic factors. Historically, enrolment has fluctuated significantly and by up to 100 students from year to year. This reserve will enable the School to maintain its staff and operating cost levels in the short-term (over 2-3 years).

Facilities reserve

This reserve is held to help fund future facilities developments and for the repayment of the long-term loans in accordance with the School's reserves policy. The amounts transferred to this reserve during the year was the budgeted amount for the capital repayments and the loan interest on the loans before refinancing. The resources expended of £638K were in respect of loan interest. The carry forward balance, £562k, represents an apportionment for the balance on the reserve; £408k was transferred to General Reserves at the end of the year when the remainder of the funds had been used for their designated purposes.

Building and Equipment reserve

The building and equipment reserve is a reserve set up to provide funds for the short term (2-3 years) for emergency repairs or improvements.

Plant Reserve

This reserve is a rolling reserve to ensure that the school has funds available to contract for significant building maintenance projects, which run into the following financial year. The balance on this reserve is planned to be spent in the next two years.

Prolonged Disability reserve

The prolonged disability reserve has been established to provide funds for employees who suffer prolonged disability during the period before the School's insurance scheme comes into effect.

Staff Cost reserve

This reserve was created to provide additional funding for exceptional compensation costs.

Notes to the financial statements (continued)

New Initiative reserve

This reserve was created to provide funds for pilot projects that it is hoped will enhance the curriculum and/or the learning environment at the School. These projects can be approved after the setting of the annual budget process and so would not be possible without these contingency funds. The projects are usually piloted over 1 or 2 years before they are assessed to see if they will become part of regular school operations.

b) Restricted reserves

	Balance 30 June 2019 £,000	Incoming resources £,000	Resources expended £,000	Transfer between reserves £,000	Balance June 2020 £,000
Community Support fund	-	521	-	-	521
Restricted reserves	<u>403</u>	<u>226</u>	<u>(104)</u>	<u>(21)</u>	<u>504</u>
	<u>403</u>	<u>747</u>	<u>(104)</u>	<u>(21)</u>	<u>1,025</u>

The Community support fund was initiated to provide discounted seats for students in families suffering temporary financial hardship as a result of the coronavirus pandemic.

Reserves comprise mainly funds received from the American School in London Foundations in the US and the UK. The majority of the resources expended of £104K was spent on security-related initiatives. The transfers between reserves of £21K reflect capital expenditure funded from these reserves. The remaining reserves are expected to be spent in the next 1-2 years.

The transfers between reserves are in accordance with the accounting policy 1i.

Notes to the financial statements (continued)

13 Reconciliation of opening and closing reserves (continued)

c) Permanent Endowment funds - Statement of total return

Calculation of total return:	2020
	£,000
Investment returns in year	
Investment income	552
Capital gains	83
Total return for year	635
Less: Allocation to income	(700)
Movement in unapplied total return for the year	(65)
Unapplied total return	
30 June 2019	2,149
30 June 2020	2,085
Add:	
Preserved value at 30 June 2001	371
Additions since 30 June 2001	20,362
Total preserved value at 30 June 2020	20,733
Total value of permanent endowment	Note 13d 22,818

d) Permanent Endowment funds

	Balance	Transfers		Total		Allocation	Balance
	30 June	between		Return	Disinvestment	to Income	30 June
	2019	Reserves	Donations				2020
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Student Financial Assistance	8,540	-	230	121	122	(268)	8,745
Facilities Fund	150	-	-	2	2	(4)	150
Community Enrichment	761	-	303	11	11	(24)	1,062
Faculty and Staff support	12,387	-	13	175	177	(388)	12,364
General	499	-	-	7	7	(16)	497
	<u>22,337</u>	<u>-</u>	<u>546</u>	<u>315</u>	<u>320</u>	<u>(700)</u>	<u>22,818</u>

e) Expendable endowment funds:

	Balance 30	Transfers		Resources	Allocation	Balance 30
	June 2019	between		Expended	to Income	June 2020
	£,000	Reserves	Donations	£,000	£,000	£,000
Community Enrichment	886	-	191	(627)	-	450
Student Financial Assistance	631	-	275	-	(179)	727
Faculty and Staff support	754	-	2	-	-	756
	<u>2,271</u>	<u>-</u>	<u>468</u>	<u>(627)</u>	<u>(179)</u>	<u>1,933</u>

Notes to the financial statements (continued)

13 Reconciliation of opening and closing reserves (continued)

f) Total Endowment	2020	2019
	£,000	£,000
Permanent	22,818	22,337
Expendable	<u>1,933</u>	<u>2,271</u>
	<u>24,751</u>	<u>24,608</u>

Student Financial Assistance

The earnings will be used to provide financial assistance to qualified students and to support student participation in the life of the school once enrolled.

Facilities Fund

The earnings will be used to support and enhance the facilities at ASL.

Community Enrichment Fund

The earnings will be used to support programs and activities that support a sense of community within the ASL family or that serve to enhance the relationship of ASL to its neighbourhood or to London.

Faculty and Support Staff Fund

The earnings will be restricted to support the Faculty and Staff of ASL at the discretion of the Board.

14 Pension arrangements

The School contributes towards retirement benefits in respect of employees who have opted to participate in a defined contribution plan. A range of investment funds is available. The School's contribution is 10% of basic salary provided the employee contributes at least 5% of salary.

The School also provides funds to the Foundation for its costs incurred for a similar US retirement benefits plan in respect of employees of the Foundation.

The employer's contributions for both the School and the Foundation are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. These contributions in the year amounted to £2,391K (2019 £2,232K) at 30 June 2020.

Under terms of the plans, the School has no liability beyond the agreed rate of its contributions each year. The School and its subsidiary have entered into joint contracts of employment for certain staff. The pension contributions are paid by the School on behalf of these staff.

15 Subsidiary company and related party transactions

The School owns all of the issued share capital of ASL Enterprises Limited, Company Number 10339054 incorporated in England in August 2016. This company carries out trading activities on behalf of the School. ASL Enterprises Limited had a turnover of £318K, and £70K profit before tax in the year ended 30 June 2020 (2019 - £100K). At 30 June 2020, the Company had shareholders' funds of £1. The Company ran swimming lessons and a membership program.

Notes to the financial statements (continued)

15 Subsidiary company and relation party transactions (continued)

In the period to 30 June 2020, the School charged £47K to the subsidiary company for the provision of staff and administrative services and licence fees.

There were no other related party transactions in the year ended 30 June 2020 (2019 – nil).

16 Financial Instruments

	Fair Value	Amortised cost	Non financial instruments	2020 Total	2019 Total
	£,000	£,000	£,000	£,000	£,000
Assets					
Tangible assets	-	-	56,508	56,608	58,608
Investments	22,394	-	-	22,394	22,078
Stock	-	29	-	29	26
Debtors	-	1,147	289	1,436	1,603
Cash at bank and in hand	-	34,248	-	34,248	33,054
Liabilities					
Creditors due within one year	-	(21,046)	-	(21,046)	(25,943)
Creditors due after one year	-	(27,000)	-	(27,000)	(25,944)
	<u>22,394</u>	<u>(12,622)</u>	<u>56,797</u>	<u>65,569</u>	<u>63,482</u>

The income, expenditure and net gains and losses recognized in the Statement of Financial Activities during the year to 30 June 2020 by category are shown below:

	Fair Value	Amortised cost	2020 Total	2019 Total
	£,000	£,000	£,000	£,000
Investment income	232	-	232	253
Foreign exchange gains on evaluation	-	43	43	59
Net gains on investments	<u>84</u>	<u>-</u>	<u>83</u>	<u>317</u>
	<u>316</u>	<u>43</u>	<u>359</u>	<u>629</u>

Notes to the financial statements (continued)

17 Comparative fund statements for year ended 30 June 2019

Statement of Financial Activities

	Notes	Total	<u>Restricted</u>		2019
		Unrestricted	Other	Endowment	Total
		£,000	£,000	£,000	£,000
Incoming resources					
<i>Income from charitable activities:</i>					
Fees receivable	2a	39,385	-	-	39,385
Other educational income	2b	1,708	-	-	1,708
Non-ancillary trading	2c	380	-	-	380
Bank and investment income		165	-	253	418
Donations		<u>1,859</u>	<u>1,444</u>	<u>1,071</u>	<u>4,374</u>
		<u>43,497</u>	<u>1,444</u>	<u>1,324</u>	<u>46,265</u>
Resources expended					
<i>Cost of raising funds:</i>					
Non-ancillary		(402)	-	-	(402)
Fundraising costs		(613)	-	-	(613)
Financing costs		<u>(709)</u>	<u>-</u>	<u>-</u>	<u>(709)</u>
		<u>(1,724)</u>	<u>-</u>	<u>-</u>	<u>(1,724)</u>
<i>Charitable activities:</i>					
School operating costs		<u>(42,934)</u>	<u>(262)</u>	<u>-</u>	<u>(43,196)</u>
Total resources expended		<u>(44,658)</u>	<u>(262)</u>	<u>-</u>	<u>(44,920)</u>
Net investment gain		-	-	317	317
Net income/(expenditure) before transfers		<u>(1,161)</u>	<u>1,182</u>	<u>1,641</u>	<u>1,662</u>
Transfers between reserves		<u>2,592</u>	<u>(2,522)</u>	<u>(70)</u>	<u>-</u>
Net movement in reserves in the year		<u>1,431</u>	<u>(1,340)</u>	<u>1,571</u>	<u>1,662</u>
Balances brought forward at 1 July		<u>37,040</u>	<u>1,743</u>	<u>23,037</u>	<u>61,820</u>
Balances carried forward at 30 June		<u>38,471</u>	<u>403</u>	<u>24,608</u>	<u>63,482</u>

All of the above are represented by continuing operations.

There were no recognised gains or losses other than those shown in the statement of financial activities. The accompanying notes are an integral part of this statement.

Notes to the financial statements (continued)

Allocation of Group Net Assets

The net assets as at 30 June 2019 are held for the various funds as follows:

	Net Current Assets £,000	Bank Loans due after more than 1 year £,000	Investments £,000	Tangible Fixed Assets £,000	Total £,000
Permanent endowment	-	-	22,337	-	22,337
Expendable endowment	2,271	-	-	-	2,271
Restricted reserves	403	-	-	-	403
Designated enrolment reserves	3,800	-	-	-	3,800
Designated facilities reserves	1,381	-	-	-	1,381
Designated reserves – other	887	-	-	-	887
General reserves	(261)	(25,944)	-	58,608	32,403
Total reserves	<u>8,481</u>	<u>(25,944)</u>	<u>22,337</u>	<u>58,608</u>	<u>63,482</u>

Reconciliation of opening and closing reserves

a) Designated reserves	Balance 30 June 2018 £,000	New funds designated £,000	Resources expended £,000	Transfer to general reserve £,000	Balance June 2019 £,000
Enrolment reserve	3,360	440	-	-	3,800
Facilities reserve	-	1,455	(448)	(1,007)	-
Building & Equipment reserve	539	25	-	-	564
Plant reserve	606	1,294	(1,083)	-	817
Prolonged Disability reserve	54	-	-	-	54
Staff Cost reserve	254	100	(7)	-	347
New Initiatives reserve	355	175	(44)	-	486
	<u>5,168</u>	<u>3,489</u>	<u>(1,582)</u>	<u>(1,007)</u>	<u>6,068</u>

b) Restricted reserves	Balance 30 June 2018 £,000	Incoming resources £,000	Resources expended £,000	Transfer between reserves £,000	Balance June 2019 £,000
New Frontiers Capital Campaign	-	909	-	(909)	-
Other restricted reserves	1,743	535	(262)	(1,613)	403
	<u>1,743</u>	<u>1,444</u>	<u>(262)</u>	<u>(2,522)</u>	<u>403</u>

Notes to the financial statements (continued)

c) Permanent Endowment funds

	Balance 30	Transfers		Total	Allocation	Balance 30
	June 2018	between	Donations	Return	to Income	June 2019
	£,000	Reserves	£,000	£,000	£,000	£,000
Student Financial Assistance	7,677	909	-	205	(251)	8,540
Facilities Fund	151	-	-	4	(5)	150
Community Enrichment	615	-	150	16	(20)	761
Faculty and Staff support	12,461	-	1	332	(407)	12,387
General	502	-		13	(16)	499
	<u>21,406</u>	<u>909</u>	<u>151</u>	<u>570</u>	<u>(699)</u>	<u>22,337</u>

d) Expendable endowment funds:

	Balance 30	Transfers		Resources	Allocation	Balance 30
	June 2018	between	Donations	Expended	to Income	June 2019
	£,000	Reserves	£,000	£,000	£,000	£,000
Community Enrichment	-	-	886	-	-	886
Student Financial Assistance	877	-	33	-	(280)	631
Faculty and Staff support	<u>753</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>754</u>
	<u>1,630</u>	<u>-</u>	<u>920</u>	<u>-</u>	<u>(279)</u>	<u>2,271</u>