

# **The American School in London Educational Trust Limited**

Financial statements  
for the year ended 30 June 2021  
together with Trustees' and Auditor's report

Company Registration Number: 784923

Registered Charity Number: 312738

## Trustees, Officers and Advisors

	Page
Trustees, Officers and Advisers	1
Trustees' report	4
Directors Report	4
Independent Auditor's report	23
Statement of financial activities for the year ended 30 June 2021	27
Balance sheet	28
Cash flow statement	29
Notes to the Cash flow statement	30
Notes to the financial statements	p31

## 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:

Mark Agne	Appointed 1 September 2021
Darren Allaway	Appointed 26 March 2021
Chris Anderson	
Robin S Appleby	(Head of School)
Cynthia Bake	
Luca Bassi	
Daniel Hajjar	
George Hatzmann	Company Secretary
Priya Hiranandani Vandrevala	
Alison MacDougald	
Frank Ledahawsky	Appointed 1 September 2019 and Resigned 23 July 2020
Sherine Magar-Sawiris	
Rebecca Manuel	
Liad Meidar	
David Novak	Chair
Danny Rimer	Appointed 26 January 2021
William H. Roedy	Resigned 1 January 2021
Erin Roth	Vice Chair
Russell Roth	Appointed 1 September 2020
Hannah Seminara	
Stephanie Schueppert	
Ramez Sousou	Resigned 30 June 2021
Nikos Stathopoulos	
Kavi Thakrar	
Stacey Towfighi	
Osi Umenyiora	Appointed 26 January 2021
McKenzie Webster	Appointed 26 January 2021
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

## Trustees' report (continued)

### 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's mission is 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 that 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 £2,031K of donations from the connected charity (2020 - £2,643K).

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 eleven 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, DEI, 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 2020, the Board established the following priorities in addition to its on-going responsibilities (see page 21).

1. Oversee the management of risks to the school and its community owing to the impact of COVID-19, and provide ongoing support to the HOS for this critical work.

**Achievements:** Throughout 2020-21, and in line with UK governmental guidelines, the Board supported the introduction of special measures identified and recommended by the Head of School and the Senior Leadership Team (SLT). Within the School, cohorts were maintained in order to minimize contact on campus, there was stringent recording of attendance and location, and housekeeping efforts were heightened, all of which helped to minimize risk and impact on the student body. The Board also supported the implementation of a successful Distance Learning Plan (DLP) when the School was forced to move education online.

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.

**Achievements:** Each member of the Board has reaffirmed their commitment to DEI as a strategic priority for ASL. In alignment with the school's mission, values and DEI statement, the Board is committed to cultivating an inclusive culture, one that encourages curiosity and critical thinking, recognizes varying points of view and inspires the entire community to engage in respectful, empathetic and open discussion. The Board is equally dedicated to creating an environment that is authentic to our unique community, one that is sensitive to, and celebrates, the diversity of cultures, backgrounds and experiences at ASL. The Board acknowledges that this is not a straightforward endeavor, but an ever-evolving journey. The Board supports the School's commitment to open dialogue with parents as we pursue our DEI work together.

3. Continue to undertake strategic design work within the context and limitations of both the global pandemic and Brexit.

**Achievements:** While the Board continued its strategic planning work with Greenwich Leadership Partners, given the additional pressures imposed by the pandemic the Board extended the timeline for strategic planning completion to June 2022.

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.

**Postponed:** The review was deferred due to COVID-19 and the goal has been moved to the current year and sits both with the Board and Head of School's responsibilities.

### PRINCIPAL ACTIVITIES UNDERTAKEN

In addition to achieving the specific goals of the Board of Trustees, the School taught on average 1,358 students in the year, spread over its three divisions:

Lower School (393)      Middle School (472)      High School (493)

23 new students entered the School during the year. 122 students graduated from the senior class in June 2021. Total enrollment 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, though COVID-19 restrictions meant that most of this took place on-line.



## Trustees' report (continued)

### FINANCIAL AID

The School has a long history of enabling students from all backgrounds to benefit from its programs. The Board of Trustees believes in the importance of having a socioeconomically diverse student body and the need to increase the financial aid budget year on year. It is a point of pride that our community supports this valuable endeavor, and we are grateful to all our supporters who have shown their dedication by contributing to the program.

Growing support for financial assistance has a positive impact on our community. Research shows that students benefit from learning alongside others with differing views of the world. The School remains committed to attracting talented students regardless of their financial situation.

Awards totalling £5,057K (2020, £4,709K) in Financial Aid and allowances were made to 172 (2020, 156) students in the year. Of these, 141 (2020, 130) 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 £28,406K.

### 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 2021 survey showed that 76% of leavers rated their overall experience as positive, with 80% indicating that they would recommend working at ASL to a friend.

## Trustees' report (continued)

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.

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 the previous school year (April 2020) the Board approved the School's 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 statement was developed from surveys, focus groups and interviews with faculty, staff, students and families. The statement is both reflective and aspirational, reflecting calls for action, authenticity and accountability to create a better future for our students.

ASL's Board of Trustees and the Senior and Academic Leadership teams (SLT and ALT) recognized the importance of the appointment of a senior leader whose work would be focused on ensuring institutional equity across all aspects of learning and work at ASL, and undertook an international recruitment effort to identify the strongest candidate for this inaugural role. The School appointed Dr. Mirangela Buggs as the new Director of Diversity, Inclusion, and Community Equity in March 2021.

## Trustees' report (continued)

A focus on diversity, equity and inclusion is being promoted by schools, universities, businesses, and governments around the world. The Board has set, as one of the priorities for the school, a strong commitment to diversity, equity and inclusion based on the belief that it is the School's responsibility to prepare our students to thrive both at ASL and in the years beyond school. However, as understandable, the implementation of the DEI program in the School curriculum has raised an active debate in the ASL community about some aspects of ASL's DEI program as it impacts the student experience. The School has been encouraging and welcoming an open debate and discussion also by conducting a series of open forums and continues to gather feedback from the community in order to better understand all perspectives and to create opportunities to work with all constituencies on the topic of ASL's DEI program. The School continues to create opportunities to build understanding with families and students regarding the School's DEI program. Senior leadership are available to listen and fully participate in open, constructive conversations that lead to mutual understanding of our diverse perspectives.

### COMMUNITY SERVICE ACTIVITIES

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.

The challenges of the pandemic necessitated that ASL restructure our community action programs to ensure that we met as best we could the needs of the broader community during this very challenging time. This meant rethinking nearly all of our activities, and where possible, delivering services online. We are proud of the ASL community and its ongoing commitment and resilience at this difficult time. Key activities included:

**High school community partnerships:** Our community partnership program was restructured and scaled back during the pandemic. For the first 2/3 of the year, most of our activities were online. Our most successful and extensive program was our online tutoring with the Rugby Portobello Trust. Through this activity, ASL students delivered lessons in maths and reading to primary school students from North Kensington. In addition, we developed new internal "partnerships" with high school students serving as ongoing online homework buddies, and reading buddies to students in the High School and Middle School.

**YoungPOWER conference:** This year we shifted our highly successful and popular high school equity, inclusion and social action conference into a two-day online event. We held our weekly student leadership meetings, with students from Westminster Academy, via Zoom, starting in October, and delivered the conference in March. The event, which focused on the twin themes of youth activism and racial justice, was hugely successful—involving at its peak 180 students and faculty from 12 state schools from across England.

**West London Model United Nations conference:** An annual student-organized program, helping secondary students from local schools develop skills in literacy, oracy, research and citizenship. Due to the pandemic, we switched to an entirely online format, hosting training sessions and activities, as well as the conference itself entirely on Zoom. This year's event, which focused on the theme of Ethics of War, involved 145 students from 11 London state schools.

**Community Action Committee:** In order to streamline activities during this complex year, we created a new Community Action Committee, consisting of 12 high school-ers. The committee led several major initiatives this year, including a revamped Holiday Giving Tree program, a fundraiser raising over £3000 for families in need of food assistance in the local community, and a fundraiser to raise over £2800 to support efforts to address the COVID emergency in India.

## Trustees' report (continued)

**Community Service Day:** As Community Service Day was not possible this fall, we organized several distance activities. This included providing families with equipment to make 150 solitary bee hotels in their gardens and parks, as well as organizing a very successful primary school book drive, and a coat drive for homeless people. In the spring, we were very pleased to return to our normal format.

## OTHER ACTIVITIES AND ACHIEVEMENTS

**Donor appreciation wall:** In April, ASL celebrated the 70th anniversary of its founding by Stephen L. Eckard in 1951. To mark this milestone in the school's history, we unveiled a donor appreciation wall in the School Center Foyer. The installation celebrates the abiding tradition of philanthropy at ASL, and honors all those who contributed to the school's capital campaigns and the impact of their generosity on the future of ASL.

**70th anniversary webinar:** At the same time, nearly 300 alumni, alumni parents, and former and current faculty and staff tuned in around the world to watch ASL's 70th anniversary webinar, featuring special films, and a Q+A panel with Head of School Robin Appleby and former heads Coreen Hester, Bill Mules and Judith Glickman.

**The Innovator-in-Residence** program, launched in fall 2019, enjoyed another successful year with guerilla geographer Daniel Raven-Ellison working extensively with children and adults in the community.

**The Community Support Fund**, established by the Board of Trustees in May 2020, provided assistance for tuition and related expenses for those families most severely affected by the COVID-19 pandemic, enabling all students to participate in the full ASL experience.

**New Initiative Robotics Fund:** The robotics program thrived during lockdown under the guidance of new director Wendy Stallings who joined the School in fall 2020. The program was bolstered by the support of the New Initiative Robotics Fund.

## 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 again individually reviewed over 100 risks identified under four headings: Strategic, Operational, Financial and Compliance. The individual evaluations were compared and circulated for collective discussion. The Risk Group also 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 thematically are:

**A decrease in student enrolment that can be driven by factors including:** the economic situation; competition from other schools; loss of appeal of American pedagogy; bad PR; families move out of London; international families don't relocate to London; demographic dip in number of children.

**One-off events including:** damage to building or infrastructure whether through terrorism, fire, ransomware, hacking or others; impacts of uncontrollable events elsewhere whether through war, oil crisis, terrorism or other causes.

As a result the Board considered their 5 highest risks to be:

- i) School closure from fire, hazardous substances or major public health outbreak. This risk is mitigated by safety and security being managed by the Operations team and reviewed, at least annually, by the Board's Buildings and Grounds Committee. Insurance cover is maintained for business interruptions and the costs of restoring the school.

## Trustees' report (continued)

- ii) Reduction in student numbers. This risk is mitigated by the Enrolment Reserve which provides sufficient time for the school to adapt to any reduction in student numbers.
- iii) Demographic reduction in numbers of school age children in London. This risk is mitigated by attention to annual updates to the government's National Pupil Projections supplemented by London specific updates from the GLA and others when they are updated.
- iv) Major reduction in enrolment due to inadequate marketing of the School. This risk is mitigated by extensive data collection on the inquiry and admission process to produce good forecasts. With changing circumstances generated by social distancing, the School was able to produce online school tours which increased access to more families and increased student admissions.
- v) Investment market does not perform sufficiently well to generate returns to support school commitments. This risk is mitigated by the budgeted draw from investments limited to around 2% of income; the draw matching the long term return projections; retaining sufficient unallocated returns to mitigate short-term volatility in markets.

Additionally, the Committee considered the risk of rising repair and maintenance costs over the next 10 years. The focus was on the second 5 year period, and a special meeting of the Admin Finance and the Buildings and Grounds Committee was convened. Participants considered how the proposed schedule of infrastructure work could be funded and how it may be impacted by the ongoing, strategic design work that is being undertaken by the Board of Trustees and School.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Consolidated Statement of Financial Activities on page 27 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. The net result for the year was a surplus of £3.6M.

Total income decreased from £46.9M to £43.1M during the year, mainly due to reductions across all categories. Of the £3.8M reduction, reduced tuition fee income (£1.8M), other educational income (£0.7M) and donations (£0.6M) accounting for the majority (£3.1M). The balance is due to a drop in non-ancillary trading (£0.3M), government grants received for furloughing staff unable to work (£0.2M) and in bank and investment income of (£0.2M).

Total resources expended were £42.6M, which was a reduction of £2.3M from the £44.9M of the previous year. The School's operating costs were reduced by £2.0M and reduced by a further £0.3M in costs associated with non-ancillary trading.

Over the year recorded a significant net investment gain of £3.2M (2020 - £0.1M) which resulted in Net Income for the year amounting to £3.6M (2020 - £2.1M) and as a result, the total unrestricted reserves increased by £0.6M, the restricted reserves decreased by £0.1M and the endowment increased by £3.1M. 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 £6.5M (2020 - £1.1M) as shown in the Cash flow Statement on page 29 with the cash and cash equivalent balances at the level of £37.8M compared to £31.9M last year.

The subsidiary company income was £17K (2020 - £318K) in the period and the expenses £14K (2020 - £247K) resulting in profit of £3K (2020 - £71K profit). The financial statements and this Report comply with statutory requirements and the Statement of Recommended Practice: ("Charities SORP (FRS 102)").

## Trustees' report (continued)

### **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, a tradition of fundraising and a good relationship with our key donors. The Board has reviewed its liquidity, its solvency, its loan covenants, enrollment for the 2021-22 year, and the 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.

### **COVID-19 at ASL during 2020-21**

In the summer of 2020, the Senior Leadership Team diligently reviewed UK government guidance, evaluating numerous schooling plans in the UK and around the world, researching health and safety developments and soliciting expert advice to inform their approach for the school year. The Board of Trustees carefully reviewed and approved the SLT's recommendation to open the campus for all students as of 1 September 2020. The School shared a reopening plan with families, built upon six guiding principles:

- Principle 1: Protect the health and safety of students, families and employees.
- Principle 2: Be flexible and ready to transition to different educational delivery and interaction methods if conditions change.
- Principle 3: Follow the latest guidance from the UK government and Department for Education (DfE), and exceed and enhance mitigation measures by researching best practices in the United States and around the world.
- Principle 4: Provide clear guidelines and expectations for students, families and employees as conditions change throughout the year.
- Principle 5: Revise our programs, offerings, schedules, events and operations to reduce the likelihood of COVID-19 transmission.
- Principle 6: Provide students with a supportive environment for social, emotional and academic learning.

Senior leadership managed contact tracing protocols for a number of positive cases of COVID-19 within the community, enforcing self-isolation bubbles where necessary. As determined by the UK government, the School returned to distance learning from January to March 2021, and then students returned to campus to conclude the academic year. School opened again in Sept 2021 for in-person learning.

## Trustees' report (continued)

### Community Support Fund

The Board of Trustees established the Community Support Fund in May 2020 to offset tuition, related fees and other associated costs for those most economically impacted by COVID-19. Enabling students to remain at ASL to enjoy and benefit from the full academic experience continues to be the goal of this endeavor. The amount of the grant varies depending on each family's personal situation and because circumstances are so fluid, families are asked to reapply every semester. More than £980K has been raised from 35 donors and two corporate matching gifts. Tuition grants range from 20% to 90%, and the total spent on grants thus far is £605K. ASL has awarded:

- 2020-21 school year: 26 families with grants supporting 44 students during the first and second semesters
- 2021-22 school year: 8 families with grants supporting 14 students during the first semester of the 2021-22 school year

### Covid Impact on Finances

The school was able to build on its experience from the 2019-2020 year to ensure financial sustainability during the ongoing pandemic while maximising the student experience. During the two months the campus was closed to students, the school was able to benefit from the government's furlough scheme, receiving £348K in the year. This enabled us to retain employees who have been idle over this period. Approximately 50 employees were furloughed, while the school ensured that their overall income was not reduced. The school was able to resume its planned maintenance works while complying with social distancing restrictions; a key challenge was difficulties with supply chains. Every year the school has relied on the generosity of our community for our Annual Fund donations which support our programmatic and financial aid budget. For this year, the school received a generous £1.5 million during this period of extended economic uncertainty, exceeding the goal for the year. The school has also lost non-tuition based income from programs such as summer camps at the start of last year but was able to resume summer camp activities in the summer of 2021, albeit at a reduced level.

The school has an outstanding, amortising loan of £27 million for 30 years, at a fixed rate of interest and with the first capital repayment of £6 million not due until 2029. This has provided certainty about the level of expenditure and cash flows and removed debt refinancing risk.

During the 2019/20 year, the Board discussed financial scenarios for 2021/22 and decided that the tuition fees would remain at 2019/20 levels for a second year. While there are continuing costs for additional physical safety measures, for potential Covid-19 staff absences and related contingencies, savings have been achieved on extra-curricular activities. The school's reserves have been established for circumstances like these and may be called upon for a temporary shortfall.

Since the beginning of the school year, the school has reopened as planned putting in place enhanced safety measures that are more extensive than the government guidance, including mandatory wearing of masks for adults and suggested wearing by students. These requirements are reviewed regularly. The enrolment for the year is likely to be around 1,400 students which is above the budgeted level.

## Trustees' report (continued)

### RESERVES LEVEL AND POLICY

The School's total reserves of £69.2M comprise £25.9M related to permanent endowment, £2.0M of expendable endowment, £0.9M of Restricted Reserves and £40.4M 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 2021 are set out. The Plant reserve has increased by £1.6M 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 £211K to cover the increased costs for emergency, unanticipated repairs.

The Unrestricted Reserves of £40.4M are represented by £54.6M of the net book value of fixed assets less the associated funding by bank loans of £27.0M leaving free reserves of £12.8M. 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 £11.3M at the end of the year, which was within target range of £8M to £12M.

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 16% of tuition income. In the context of the Covid19 epidemic, the Board consider the reserve of £5.35M to be adequate, which is 14% 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. Of the reserves at the end of the year, £1,100K is set aside for the 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 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 2021, the movements during the year and the anticipated uses of the reserves in the future



## Trustees' report (continued)

### **INVESTMENT POLICY AND OBJECTIVES.**

J. P. Morgan were the Investment managers for the permanent endowment for the year 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.

During 2020-21, the Trustees reviewed and updated the Investment Policy. The policy states that the investment of reserves should emphasise the preservation of capital and certainty of value to provide for contingencies. The Board agreed that the reserves relating to long-term loan repayment were an exception and that cash balances could be held in approved Sterling short duration credit funds. The school is also building up its permanent endowment, and has an investment objective to generate an annual return in Sterling of inflation (RPI) plus 4% after expenses over the long term.

The Trustees also reviewed the Investment Manager's performance over the 5 years of the mandate and carried out a comprehensive review of options for a possible change of Investment Managers for the permanent endowment. An initial 10 firms were pre-screened for interest and invited to submit proposals responding to 11 questions. Meetings were held with 5 prospective managers with diverse investment approaches and were evaluated on criteria including prospective returns in the context of the school's risk appetite, currency denomination, hedging requirements, complexity, cost and, later, also on transition management and ongoing reporting. Following the review, the Board appointed Partners Capital as Investment Managers for the permanent endowment from the 2021-22 financial year. The Board is grateful to JP Morgan team for their services over the previous 5 years.

### **INVESTMENT PERFORMANCE**

The previous year was a difficult year for investments and, as the year started, the trustees were mindful of the possibility of further significant declines in values of investments while positioning the portfolio for recovery. Last year the benefits of that approach became apparent as there was a very significant net investment gain of £3,224K compared to £84K in the prior year. A draw of £700K for operations was made in 2020-21.

A total of £470K bank and interest income was generated for the year with £24K generated from unrestricted funds and the Endowment funds generating £455K.

### **TOTAL RETURN ACCOUNTING**

The Charity Commission permitted the School to adopt the use of total return in relation to its permanent endowment on 12<sup>th</sup> 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 30<sup>th</sup> 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 for the year amounted to £3,399K as shown in Note 13(c), which represents 13.1% of the endowment value of £25,882K. £700K was allocated to income from the permanent endowment and £275K from the expendable endowment in 2020/21. Unapplied total return at 30th June 2021 was £5,063K.

## Trustees' report (continued)

### 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 £1.2M in restricted gifts for Endowments and other 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.

### 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 the extensive community building events and programs provided during a year when in-person gatherings were restricted due to Covid-19. The Board also thanks 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.

### GREENHOUSE GAS EMISSIONS

The school's greenhouse gas emissions for the financial year were equivalent to 969 tonnes of carbon dioxide which equates to 4,799,677 kilo-Watt-hours (kWh) of energy. When accounting for zero carbon electricity, which was procured during the year through a REGO backed contract, the total emissions were 559.8 tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e). The school has undertaken 3 energy efficiency actions (EEA) in this reporting year.

This information has been compiled in line with the "Environmental Reporting Guidelines" (SECR) (March 2019). 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. All sites and companies in the UK have been included in the reporting even if they do not qualify in their own right. The unusually low gas consumption between August and November has been verified as a combination of buildings being closed due to lockdowns from the Covid-19 pandemic and a supplier switch which was later reconciled. 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.

## Trustees' report (continued)

**Tables 1 and 1a:** shows the GHG emissions for The American School in London in tonnes of carbon dioxide equivalent for the year.

<b>Table 1: Report Year</b>	<b>Emission Source</b>	<b>2020/21 Energy (kWh)</b>	<b>2020/21 Emissions (tCO<sub>2</sub>e)</b>
Scope 1	Gaseous Fuel	3,041,791	559.3
	Passenger Vehicles	1,831,000	0.5
	Sub Total	3,043,622	559.8
Scope 2	Grid Electricity	1,756,055	409.4
	Sub Total	1,756,055	409.4
Total Emissions		4,799,677	969.2
Total Emissions with Offsetting		917.3	559.8

<b>Table 1a: Previous Year Base Line</b>	<b>Emission Source</b>	<b>2019/20 Energy (kWh)</b>	<b>2019/20 Emissions (tCO<sub>2</sub>e)</b>
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

There are no Scope 3 emissions for either for the report year nor for the previous year

### **Tables 2 and 2a:** Underlying Energy Use

#### Intensity Ratios

The tables below show the intensity ratios for the organisation

<b>Table 2: Report Year</b>			
<b>Type</b>	<b>2020/21 kWh/Students</b>	<b>2020/21 tCO<sub>2</sub>e/Students</b>	<b>2020/21 tCO<sub>2</sub>e/Students (with Zero Carbon Electricity)</b>
Occupancy	3,533.0	0.7	0.4

## Trustees' report (continued)

<b>Table 2a: Previous Year Base Line</b>		
<b>Type</b>	<b>2019/20 kWh/Students</b>	<b>2019/20 tCO<sub>2</sub>e/Students</b>
Occupancy	3,166	0.7

### Energy Efficiency Actions Taken

During the year, the following efficiency actions were taken:

Category	Title	Description
HVAC	Fan coil upgrade	Replacement air handling fan coil units
HCAC	Replacement chillers	Upgrade to more energy efficient models and doubling of capacity
Other	Toilet refurbishment	Refurbished four of the most used toilets with energy efficient and waste reducing appliances and fittings

## Trustees' report (continued)

### **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 review management information, budgets, forecasts, cash flow projections and progress against budget on a regular basis. Risk management (Pages 11-12) and the level of reserves (page 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 employee morale 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 communicate with families regularly via email and via School communications such as Take Note, and 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 10-11).

#### **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 2021-22:

#### **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.

#### **2021-22 priorities**

1. Continue to oversee the management of risks to the School and its community due to the impact of Covid-19 while providing ongoing support to the HOS for this critical work.
2. Support the continuation of the ASL's DEI work while ensuring that the communication and implementation of the work is consistent with strategic objectives and ASL's mission, DEI statement and values.
3. Continue to undertake strategic design work.
4. Review metrics to measure and monitor the process to oversee mission adherence consistent with the revised mission and the achievement of outstanding institutional performance.
5. Conduct a succession planning process in order to appoint a new Chair of the Board in the Spring of 2022.
6. Engage in a review of ASL's institutional policies including considering such policies as part of the risk management process.

## 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: 1<sup>st</sup> December 2021**

**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 ('the charitable company') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



## Trustees' report (continued)

### Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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:

- adequate and proper accounting records have not been kept; or
- the 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

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Trustees' report (continued)

In preparing the financial statements, the trustees are responsible for assessing 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 in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Admin & Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing

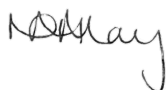
## Trustees' report (continued)

accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### 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.



### Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

**Date** 14th December 2021

Consolidated Statement of financial activities  
For the year ended 30 June 2021

	Notes	Total	Restricted		2021	2020
		Unrestricted	Other	Endowment	Total	Total
		£,000	£,000	£,000	£,000	£,000
<b>Income from</b>						
<b>Charitable activities:</b>						
Fees receivable	2a	38,905	-	-	38,905	40,700
Other educational income	2b	639	-	-	639	1,333
<b>Other trading activities</b>						
Non-ancillary trading	2c	17	-	-	17	318
<b>Other income</b>						
Government grants	2d	348	-	-	348	583
<b>Investments</b>						
Bank and investment income		24	-	455	479	706
<b>Donations and legacies</b>						
Donations		<u>1,505</u>	<u>662</u>	<u>514</u>	<u>2,681</u>	<u>3,240</u>
		<u>41,438</u>	<u>662</u>	<u>969</u>	<u>43,069</u>	<u>46,880</u>
<b>Expenditure on</b>						
<b>Raising funds:</b>						
Non-ancillary		(17)	-	-	(17)	(318)
Fundraising costs		(594)	(12)	-	(606)	(579)
Financing costs		<u>(686)</u>	<u>(-)</u>	<u>-</u>	<u>(686)</u>	<u>(672)</u>
		<u>(1,297)</u>	<u>(12)</u>	<u>-</u>	<u>(1,309)</u>	<u>(1,569)</u>
<b>Charitable activities:</b>						
School operating costs		<u>(40,681)</u>	<u>(593)</u>	<u>(62)</u>	<u>(41,336)</u>	<u>(43,307)</u>
Total resources expended	3	<u>(41,978)</u>	<u>(605)</u>	<u>(62)</u>	<u>(42,645)</u>	<u>(44,876)</u>
Net investment gain	9			3,224	3,224	84
<b>Net income/(expenditure) before transfers</b>						
		(540)	57	4,131	3,648	2,088
Transfers between reserves	7	<u>1,151</u>	<u>(176)</u>	<u>(975)</u>	<u>-</u>	<u>-</u>
<b>Net movement in reserves in the year</b>		<u>611</u>	<u>(119)</u>	<u>3,156</u>	<u>3,648</u>	<u>2,088</u>
<b>Balances brought forward at 1 July</b>						
		<u>39,794</u>	<u>1,024</u>	<u>24,750</u>	<u>65,568</u>	<u>63,481</u>
<b>Balances carried forward at 30 June</b>		<u>40,405</u>	<u>905</u>	<u>27,906</u>	<u>69,216</u>	<u>65,569</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 2021

	Notes	<b>Group</b> <b>2021</b> <b>£,000</b>	Group 2020 £,000	<b>Company</b> <b>2021</b> <b>£,000</b>	Company 2020 £,000
<b>Fixed assets</b>					
Tangible assets	8	<b>54,610</b>	56,508	<b>54,610</b>	56,508
Investments	9	<b>25,883</b>	<u>22,818</u>	<b>25,883</b>	<u>22,818</u>
		<b>80,493</b>	79,326	<b>80,493</b>	79,326
<b>Current assets</b>					
Stock		<b>28</b>	29	<b>28</b>	29
Debtors	10	<b>1,061</b>	1,436	<b>1,058</b>	1,436
Current asset investments		<b>2,204</b>	1,933	<b>2,204</b>	1,933
Cash at bank and in hand		<b>37,790</b>	<u>31,891</u>	<b>37,784</b>	<u>31,814</u>
		<b>40,903</b>	<u>35,289</u>	<b>40,895</b>	<u>35,213</u>
<b>Creditors:</b> Amounts falling due within 1 year	11a	<b>(25,179)</b>	(22,046)	<b>(25,171)</b>	(21,971)
<b>Net current assets</b>		<b>15,724</b>	13,243	<b>15,724</b>	13,242
<b>Total assets less current liabilities</b>		<b>96,217</b>	92,569	<b>96,217</b>	92,569
<b>Creditors:</b> Amounts falling due after 1 more than 1 year	11b	<b>(27,000)</b>	(27,000)	<b>(27,000)</b>	(27,000)
<b>Total net assets</b>		<b>69,217</b>	<u>65,569</u>	<b>69,217</b>	<u>65,569</u>
Financed by:					
<b>Accumulated reserves</b>					
Unrestricted reserves:					
General		<b>29,148</b>	30,849	<b>29,148</b>	30,849
Designated	13a	<b>11,257</b>	<u>8,944</u>	<b>11,257</b>	<u>8,944</u>
Total unrestricted reserves		<b>40,405</b>	<u>39,793</u>	<b>40,405</b>	<u>39,793</u>
Restricted	13b	<b>905</b>	1,025	<b>905</b>	1,025
Endowments	13f	<b>27,906</b>	<u>24,751</u>	<b>27,906</b>	<u>24,751</u>
		<b>69,217</b>	<u>65,569</u>	<b>69,217</b>	<u>65,569</u>

The net result for the financial year dealt with by the financial statements of the parent charity was a surplus of £3,648K (2020: £2,085K).

The financial statements on pages 27 to 48 were approved by the Board and authorised for issue on 1<sup>st</sup> December 2021.

**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 2021

	Notes	2021		2020	
		£,000	£,000	£,000	£,000
<b>Net cash inflow from operations</b>					
Net cash provided by operating activities	i		<u>6,469</u>		<u>1,089</u>
<b>Cash flows from investing activities</b>					
Payments for tangible fixed assets		(894)		(798)	
Payments to acquire investments		-		-	
New money waiting investment		(89)		(424)	
Investment Income (Dividends and interests)		(175)		(232)	
Disposals of investments		280		320	
Bank interest and investment income receivable		<u>479</u>		<u>386</u>	
<b>Net cash provided (used in) investing activities</b>			<u>(399)</u>		<u>(748)</u>
<b>Cash flow from financing activities</b>					
New endowment		514		1,014	
New loans	iii	-		27,000	
Loans repaid	lii	-		(26,314)	
Bank interest payable		<u>(686)</u>		<u>(672)</u>	
<b>Net cash provided by financing activities</b>			<u>(172)</u>		<u>(1,028)</u>
Change in cash and cash equivalent in the reporting period			<u>5,898</u>		<u>1,367</u>
Cash and cash equivalents at the beginning of the period			<u>31,894</u>		<u>30,524</u>
Cash and cash equivalents at the end of the reporting period	ii		<u>37,792</u>		<u>31,891</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

		2021	2020
	£,000	£,000	£,000
Net income before transfers		3,648	2,085
Elimination of non-operating cash flows:			
- Investment income	(479)		(706)
- Endowment donations	(552)		(387)
- Finance costs	686		672
- Unrealised investment (gain)	(3,224)		(84)
Depreciation	2,792		2,899
Decrease in debtors	375		166
Increase in creditors excluding bank loans	3,132		(3,898)
(Increase)/decrease in current asset investments	91		338
Decrease/ (increase) in stocks	(2)		4
		<u>2,821</u>	<u>(996)</u>
<b>Net cash inflow from operations</b>		<u><b>6,469</b></u>	<u><b>1,089</b></u>

### ii. Analysis of cash and cash equivalents

	2021	Cash flow movement in the year	2020
	£,000	£,000	£,000
Cash at bank	28,453	5,884	22,569
Deposits	9,337	15	9,322
	<u>37,790</u>	<u>5,898</u>	<u>31,891</u>

### iii. Analysis of movement in loans

	2021	New loan	Repayment	2020
	£,000	£,000	£,000	£,000
Bank loan falling due within one year	-	-	-	-
Loans falling due after one year	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
<b>Total loans</b>	<u><b>27,000</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>27,000</b></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 12<sup>th</sup> 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 30<sup>th</sup> 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)

<b>2a Fees receivable</b>	2021	2020
	£,000	£,000
Gross tuition fees	42,904	43,987
Less: Financial Aid	(4,877)	(4,509)
Less: Community Support Fund	<u>(505)</u>	<u>-</u>
Net tuition fees	37,522	39,478
Other fees:		
Gross Transportation	786	831
Less: Financial Aid	<u>(127)</u>	<u>(106)</u>
Net Transportation	659	725
Applications and retentions	<u>724</u>	<u>497</u>
	<u><b>38,905</b></u>	<u><b>40,700</b></u>
<b>2b Other educational income</b>	2021	2020
	£,000	£,000
Gross Trips	81	226
Less: Financial Aid	<u>(4)</u>	<u>(13)</u>
Net Trips	76	213
Summer, After School programs and other income	610	1,201
Less: Financial Aid	<u>(49)</u>	<u>(81)</u>
Net Non-Trips	<u>561</u>	<u>1,120</u>
	<u><b>639</b></u>	<u><b>1,333</b></u>
<b>2c Non ancillary income</b>	2021	2020
	£,000	£,000
Trading income from membership fees and swimming lessons	<u>17</u>	<u>318</u>
<b>2d Government grant</b>	2021	2020
	£,000	£,000
Grants relate to the furlough of staff not working from the period July 2020 to June 2021	348	583

## Notes to the financial statements (continued)

### 3 Analysis of total resources expended

	Staff costs	Other	Depreciation	2021 Total	2020 Total
	£,000	£,000	£,000	£,000	£,000
<b>Charitable Activities</b>					
Teaching costs	23,363	2,040	-	25,403	27,138
Welfare	1,865	913	-	2,778	2,810
Premises	894	2,112	2,792	5,798	6,780
Transport	172	923	-	1,095	812
Support costs	5,383	272	-	5,665	5,665
Governance costs	92	10	-	102	102
Community Support Fund		505		505	-
	<u>31,769</u>	<u>6,775</u>	<u>2,792</u>	<u>41,336</u>	<u>43,307</u>
<b>School operating costs</b>					
<b>Costs of raising funds</b>					
Fundraising costs	533	73	-	606	578
Financing costs	-	686	-	686	672
Non-ancillary	9	8	-	17	318
	<u>32,311</u>	<u>7,541</u>	<u>2,792</u>	<u>42,645</u>	<u>44,876</u>

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

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

	2021 £,000	2020 £,000
Depreciation of tangible fixed assets	2,792	2,899
Auditors' remuneration		
- audit services	31	28
- non-audit serves	5	2
Financing costs	686	672
Staff costs – see note 5	<u>32,306</u>	<u>32,426</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:

	2021	2020
	£,000	£,000
Wages and salaries	26,987	27,225
Social security costs and NI contributions	2,842	2,809
Other pension costs	2,478	2,391
	<u>32,305</u>	<u>32,425</u>

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

	2021	2020	2021	2020
	Average	Average	FTE Number	FTE Number
Teachers and Teachers' Support	259	253	240	238
Administration	<u>112</u>	<u>115</u>	<u>107</u>	<u>109</u>
Total	<u>371</u>	<u>368</u>	<u>347</u>	<u>347</u>

The above numbers include 1 teacher / teachers' support on sabbatical leave during 2021 and 1 employees of the Foundation (2020 – 125). During the year, there were 3 redundancy or termination payments (£75K which was owing at the year-end (2020 – £29K). The above numbers include 10 (2020 – 8) 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:

	2021	2020
	Number	Number
£60,001 - £70,000	19	35
£70,001 - £80,000	42	36
£80,001 - £90,000	53	57
£90,001 - £100,000	44	42
£100,001 - £110,000	13	11
£110,001 - £120,000	5	6
£120,001 - £130,000	4	1
£130,001 - £140,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	2	2
£170,001 - £190,000	1	2
£190,001 - £200,000	2	1
£200,001 - £210,000	1	1
£330,001 - £340,000	-	1
£390,001 - £400,000	1	-
	<u>188</u>	<u>197</u>

The total employers' pension contributions to the School's and Foundation's defined contribution schemes amounted to £1,678K (2020 £1,721K) in respect of the employees above.

	2021	2020
	£,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>2,251</u>	<u>2,161</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:

	2021	2020
	£,000	£,000
Salary	396	337
Deferred compensation	-	-
Other remuneration including utilities and accounting	7	25
Pension contributions	<u>40</u>	<u>34</u>
Total	<u>443</u>	<u>396</u>

## Notes to the financial statements (continued)

### 7 Transfers between reserves

The transfers from restricted to unrestricted reserves totalled £176K, which was in respect of the use of donated funds to help pay for capital projects (Note 13b). In addition, £975K was allocated to income from Endowment with £700K from Permanent Endowment (note 13d) and £275K 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
<b>Cost</b>						
At 1 July 2020	15,453	67,712	2,430	7,461	23	93,079
Additions	-	30	-	864	-	894
Disposal	-	-	-	-	-	-
At 30 June 2021	<u>15,453</u>	<u>67,742</u>	<u>2,430</u>	<u>8,325</u>	<u>23</u>	<u>93,973</u>
<b>Depreciation</b>						
At 1 July 2020	651	30,098	468	5,343	11	36,571
Disposal	-	-	-	-	-	-
Charge	<u>79</u>	<u>1,879</u>	<u>39</u>	<u>790</u>	<u>6</u>	<u>2,792</u>
At 30 June 2021	<u>730</u>	<u>31,976</u>	<u>506</u>	<u>6,133</u>	<u>17</u>	<u>39,363</u>
<b>Net book value</b>						
At 1 July 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 2021	<u>14,754</u>	<u>35,766</u>	<u>1,923</u>	<u>2,192</u>	<u>5</u>	<u>54,610</u>

At 30 June 2021, the Company has no capital commitments authorised and contracted for but outstanding, in respect of land and buildings refurbishment (2020 also NIL).

### 9 Investments – Group and Company

	2021	2020
	Group & Company	Group & Company
	£,000	£,000
Market value of investments brought forward	22,818	22,337
Disposal of cash brought forward	(424)	
New money waiting investments	89	165
Investment income reinvested	175	232
Disposals in year	(280)	(320)
Gross investment gain in the year	3,637	535
Management fee	<u>(133)</u>	<u>(131)</u>
Net investment gain in year	3,224	84
<b>Market value carried forward</b>	<u>25,883</u>	<u>22,818</u>
Cost of investments carried forward	<u>20,819</u>	<u>20,267</u>

The total unrealised gain included above was £5,063K at 30 June 2021 (2020 – £2,551K).

## Notes to the financial statements (continued)

<b>Investments comprise:</b>	Group & Company 2021 £,000	Group & Company 2020 £,000
<b>Listed investments</b>		
Fixed interest	4,023	4,422
Equities	11,245	8,287
<b>Alternative investments</b>	11,078	9,539
<b>Cash</b>	548	573
Forex	(11)	(3)
Group investments	25,883	22,818
Investment in subsidiaries	-	-
<b>Company investments</b>	<u>25,883</u>	<u>22,818</u>

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

The main investments for the Group were managed by J.P. Morgan Private Bank to 30 June 2021.



## Notes to the financial statements (continued)

### 10 Debtors

Amounts falling due within one year:	Group	Group	Company	Company
	2021	2020	2021	2020
	£,000	£,000	£,000	£,000
Other debtors	773	1,147	773	1,147
Prepayments and accrued income	288	289	288	289
	<b>1,061</b>	<b>1,436</b>	<b>1,061</b>	<b>1,436</b>

### 11 Creditors

a) Amounts falling due within one year:	Group	Group	Company	Company
	2021	2020	2021	2020
	£,000	£,000	£,000	£,000
Fees received in advance (note 1h)	20,552	17,585	20,552	17,585
PAYE and social security creditors	1,751	1,708	1,751	1,708
Other creditors and accruals	2,869	2,753	2,869	2,678
	<b>25,179</b>	<b>22,046</b>	<b>25,171</b>	<b>21,971</b>

b) Amounts due after one year – Group and Company	30 June	Increase in	30 June
	2021	loan	2020
	£,000	£,000	£,000
Loan falling due after one year	27,000	-	27,000

The loans were refinanced in November 2020 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 2021 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	(1)	-	25,883	-	25,882
Expendable endowment	2,024	-	-	-	2,024
Restricted reserves	905	-	-	-	905
Designated enrolment reserves	5,350	-	-	-	5,350
Designated facilities reserves	1,112	-	-	-	1,112
Designated reserves – other	4,795	-	-	-	4,795
General reserves	1,538	(27,000)	-	54,610	29,148
Total reserves	<b>15,723</b>	<b>(27,000)</b>	<b>25,883</b>	<b>54,610</b>	<b>69,216</b>

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

The notes on pages 15 to 16 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 2020	New funds designated	Resources expended	Transfer to general reserve	Balance June 2021
	£,000	£,000	£,000	£,000	£,000
Enrolment reserve	5,350	-	-	-	5,350
Facilities reserve	562	1,236	(686)	-	1,112
Building & Equipment reserve	762	211	-	-	973
Plant reserve	1,398	1,854	(241)	-	3,011
Prolonged Disability reserve	54	-	-	-	54
Staff Cost reserve	347	-	-	-	347
New Initiatives reserve	471	-	(61)	-	410
	<u>8,944</u>	<u>3,301</u>	<u>(988)</u>	<u>-</u>	<u>11,257</u>

#### *Enrolment reserve*

The enrolment reserve represented approximately 14% of tuition income at 30 June 2021. 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) if there were a fall in enrolment.

#### *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 £686K were in respect of loan interest. The carry forward balance represents the scheduled accumulation of funds in preparation for the repayment for the first instalment repaying the loan capital.

#### *Building and Equipment reserve*

The building and equipment reserve is a reserve set up to provide funds for emergency or unanticipated 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.

### 13 Reconciliation of opening and closing reserves (continued)

b) Restricted reserves	Balance 30 June 2020 £,000	Incoming resources £,000	Resources expended £,000	Transfer between reserves £,000	Balance June 2021 £,000
<b>Community Support fund</b>	521	471	(505)	-	488
<b>Restricted reserves</b>	<u>504</u>	<u>191</u>	<u>(100)</u>	<u>(176)</u>	<u>418</u>
	<u>1,025</u>	<u>662</u>	<u>(605)</u>	<u>(176)</u>	<u>905</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.

The Restricted 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 £100K was spent on activities across all divisions including a visiting scholar. The transfers between reserves of £176K 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

<b>Calculation of total return:</b>	2021
	£,000
<b>Investment returns in year</b>	
Investment income	175
Capital gains	3,224
<b>Total return for year</b>	3,399
Less: Allocation to income	(700)
Movement in unapplied total return for the year	2,979
<b>Unapplied total return</b>	
30 June 2020	2,085
30 June 2021	5,063
<b>Add:</b>	
Preserved value at 30 June 2001	371
Additions since 30 June 2001	20,488
Total preserved value at 30 June 2021	20,819
<b>Total value of permanent endowment</b>	Note 13d <b>25,882</b>

#### d) Permanent Endowment funds

	Balance	Transfers		Total		Allocation	Balance
	30 June	between		Return	Disinvestment	to Income	30 June
	2020	Reserves	Donations				2021
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Student Financial Assistance	8,745	-	74	1,303	107	(268)	9,960
Facilities Fund	150	-	-	22	2	(5)	168
Community Enrichment	1,062	-	-	158	13	(33)	1,202
Faculty and Staff support	12,364	-	13	1,842	152	(379)	13,990
General	497	-	-	74	6	(15)	562
	<u>22,818</u>	<u>-</u>	<u>86</u>	<u>3,399</u>	<u>280</u>	<u>(700)</u>	<u>25,882</u>

#### e) Expendable endowment funds:

	Balance 30	Transfers		Resources	Allocation	Balance 30
	June 2020	between		Expended	to Income	June 2021
	£,000	Reserves	Donations	£,000	£,000	£,000
Community Enrichment	450	-	-	(61)	-	389
Student Financial Assistance	727	-	422	-	(275)	873
Faculty and Staff support	756	-	6	(1)	-	762
	<u>1,933</u>	<u>-</u>	<u>428</u>	<u>(62)</u>	<u>(275)</u>	<u>2,024</u>

## Notes to the financial statements (continued)

### 13 Reconciliation of opening and closing reserves (continued)

f) Total Endowment	2021	2020
	£,000	£,000
Permanent	25,882	22,818
Expendable	<u>2,024</u>	<u>1,933</u>
	<u>27,906</u>	<u>24,751</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 £2,478K (2020 £2,391K) at 30 June 2021.

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 £17K, and £3K profit before tax in the year ended 30 June 2020 (2020 - £70K profit before tax). At 30 June 2021, 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 2021, the School charged £17K 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 2021 (2020 – nil).

### 16 Financial Instruments

	Fair Value	Amortised cost	Non financial instruments	2021 Total	2020 Total
	£,000	£,000	£,000	£,000	£,000
<b>Assets</b>					
Tangible assets	-	-	54,610	54,610	56,608
Investments	25,792	-	-	25,792	22,394
Stock	-	28	-	28	29
Debtors	-	773	288	1,061	1,436
Cash at bank and in hand	-	39,903	-	39,903	34,248
<b>Liabilities</b>					
Creditors due within one year	-	(25,179)	-	(25,179)	(21,046)
Creditors due after one year	-	(27,000)	-	(27,000)	(27,000)
	<u>25,792</u>	<u>(11,475)</u>	<u>54,898</u>	<u>69,216</u>	<u>65,569</u>

The income, expenditure and net gains and losses recognized in the Statement of Financial Activities during the year to 30 June 2021 by category are shown below:

	Fair Value	Amortised cost	2021 Total	2020 Total
	£,000	£,000	£,000	£,000
Investment income	175	-	175	232
Foreign exchange gains on evaluation	-	9	9	43
Net gains on investments	<u>3,224</u>	<u>-</u>	<u>3,224</u>	<u>83</u>
	<u>3,399</u>	<u>9</u>	<u>3,408</u>	<u>359</u>

# Notes to the financial statements (continued)

## 17 Comparative fund statements for year ended 30 June 2020

### Statement of Financial Activities

	Notes	Total	Restricted		2020
		Unrestricted	Other	Endowment	Total
		£,000	£,000	£,000	£,000
<b>Incoming resources</b>					
<b><i>Income from charitable activities:</i></b>					
Fees receivable	2a	40,700	-	-	40,700
Other educational income	2b	1,333	-	-	1,333
Non-ancillary trading	2c	318	-	-	318
Government grants	2d	583			583
Bank and investment income		154	-	552	706
Donations		1,479	747	1,014	3,240
		<u>44,567</u>	<u>747</u>	<u>1,566</u>	<u>46,880</u>
<b>Resources expended</b>					
<b><i>Cost of raising funds:</i></b>					
Non-ancillary		(318)	-	-	(318)
Fundraising costs		(579)	-	-	(579)
Financing costs		(672)	-	-	(672)
		<u>(1,569)</u>	<u>-</u>	<u>-</u>	<u>(1,569)</u>
<b><i>Charitable activities:</i></b>					
School operating costs		<u>(42,576)</u>	<u>(104)</u>	<u>(627)</u>	<u>(43,307)</u>
Total resources expended		<u>(44,145)</u>	<u>(104)</u>	<u>(627)</u>	<u>(44,876)</u>
Net investment gain		-	-	84	84
<b>Net income/(expenditure) before transfers</b>		<u>422</u>	<u>643</u>	<u>1,023</u>	<u>2,088</u>
Transfers between reserves		<u>901</u>	<u>(21)</u>	<u>(880)</u>	<u>-</u>
<b>Net movement in reserves in the year</b>		<u>1,323</u>	<u>622</u>	<u>143</u>	<u>2,088</u>
<b>Balances brought forward at 1 July</b>		<u>38,470</u>	<u>403</u>	<u>24,608</u>	<u>63,481</u>
<b>Balances carried forward at 30 June</b>		<u>39,793</u>	<u>1,025</u>	<u>24,751</u>	<u>65,569</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 2020 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	-	-	22,818	-	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	<u>13,243</u>	<u>(27,000)</u>	<u>22,818</u>	<u>56,508</u>	<u>65,569</u>

### Reconciliation of opening and closing reserves

a) Designated reserves	Balance 30 June 2019 £,000	New funds designated £,000	Resources expended £,000	Transfer to general reserve £,000	Balance June 2020 £,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>

b) Restricted reserves	Balance 30 June 2019 £,000	Incoming resources £,000	Resources expended £,000	Transfer between reserves £,000	Balance June 2020 £,000
New Frontiers Capital Campaign	-	521	-	-	521
Other restricted reserves	403	226	(104)	(21)	504
	<u>403</u>	<u>747</u>	<u>(104)</u>	<u>(21)</u>	<u>1,025</u>



## Notes to the financial statements (continued)

### a) Permanent Endowment funds

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

### b) Expendable endowment funds:

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