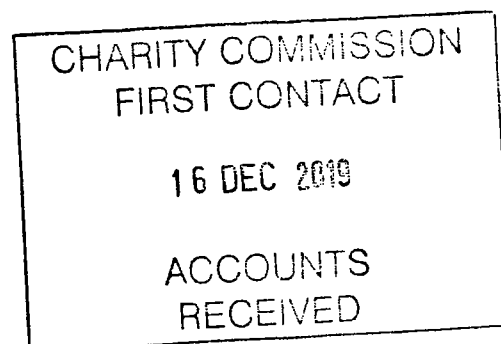


The American School in London Educational Trust Limited

Financial statements
for the year ended 30 June 2019
together with Trustees' and Auditor's report

Company Registration Number: 784923
Registered Charity Number: 312738



Contents

	Page
Trustees, Officers and Advisers	1
Trustees' report	3
Directors Report	3
Strategic Report	8
Independent Auditor's report	17
Statement of financial activities for the year ended 30 June 2019	18
Balance sheet	22
Cash flow statement	23
Notes to the Cash flow statement	24
Notes to the financial statements	25

Trustees, Officers and Advisors

Trustees

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

Chris Anderson	Appointed 31 July 2018
Robin S Appleby	(Head of School)
Cynthia Bake	
Luca Bassi	
Jennifer Benjamin	Appointed 31 July 2018
Erin Crawford	Company Secretary 30 June 2018
Daniel Hajjar	
George Hatzmann	Appointed 31 July 2018
Virginia Keener	Resigned 30 June 2019
Priya Hiranandani Vandrevale	
Alison LeMaire	Resigned 1 January 2019
Sherine Magar-Sawiris	
Rebecca Manuel	
Liad Meidar	
David Novak	Chair
Elaine Proctor-Bonbright	Resigned 30 June 2019
William H. Roedy	
Erin Roth	Vice Chair
Stephanie Schueppert	
Julie Skattum	Resigned 30 June 2019
Ramez Sousou	
Nikos Stathopoulos	
Stacey Towfighi	
Christopher Whitman	

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

The American Ambassador to the Court of St. James, is Honorary Chairman of the Board but not a member. In addition, Richard Bailey, who was formerly a Trustee, serves as Advisor to the Board of Trustees.

Officers

Robin S Appleby	Head of School
John Robinson	Director of Finance (Appointed 1 July 2018)

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

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

Auditor

Crowe U.K. LLP
St Bride's House, 10 Salisbury Square
London, EC4Y 8EH

Investment Managers

J.P. Morgan
60 Victoria Embankment
London, EC4

Trustees' report (continued)

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 2019 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.

DIRECTORS REPORT

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 Statement (see page 4). 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, Vision of Excellence and Diversity Statement.

Aims and Intended Impact

Mission Statement

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.

Our Vision for Excellence

Learning

The heart of our school lies in the dynamic relationship between student and teacher. ASL provides a rigorous program that engages students through inquiry and collaboration. Our dedicated faculty encourages students to think critically, to take risks and to be creative. We challenge students to strive for personal and academic excellence, and we treasure the intellectual, social, artistic and physical development of each student. ASL students are expected to participate actively in their learning and to engage fully in the intellectual life of the School.

Character

We believe that students develop integrity and strength of character by learning to make good choices and by taking responsibility for their actions. We expect ASL students to be kind, honest and respectful of others. We value a strong work ethic, and we seek to instil in our students a sense of optimism and determination in the face of challenge. Our supportive environment encourages students to develop the courage to act independently and the confidence to pursue leadership opportunities.

Trustees' report (continued)

Community

Respect for individual and cultural differences is a central value of ASL. We celebrate the open exchange of ideas and spirit of inclusiveness that flow from our multicultural community. The active involvement of students, families, alumni, faculty and staff creates the energy and enthusiasm that characterize the ASL experience. Our community participates wholeheartedly in the extensive opportunities found in London, and we are committed to pursuing learning experiences throughout the world.

Service

We believe that service to others teaches young people to be productive and effective citizens, and we challenge ASL students to find passion and purpose beyond themselves. ASL offers meaningful opportunities in the classroom and through service learning for students to participate actively in our school, local neighborhoods and abroad. We seek to inspire the compassion and international awareness necessary for students to contribute responsibly to the global community.

Diversity Statement

Diversity is central to the ASL experience. We believe diversity promotes a vibrant learning process and fosters a positive School climate to prepare students to thrive in a diverse world. Our commitment to diversity influences what and how we teach as well as the composition of our School community.

At ASL, our definition of diversity encompasses ethnicity, gender, socioeconomic level, sexual orientation, nationality, physical ability, family structure and religion. We extend our definition to include differences in identity, life experiences, backgrounds, beliefs and ideas.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF PEOPLE WITH A DISABILITY

We consult with our employees about future School activities and issues of direct concern (such as terms and conditions) through a range of mechanisms.

All employees are able to elect colleagues to represent them on various committees and focus groups that meet from time to time.

We also actively engage with employees through such things as questionnaires and focus groups, and where possible include employee representatives in the development of new HR policies so that employee views are reflected within our final proposals.

We have a range of detailed HR policies to support our charitable and business objectives and to ensure compliance with employment legislation. These are reviewed at least annually by the head of HR.

In accordance with our Equal Opportunities Policy, the School seeks to treat all employees, all other members of the School community and any person visiting the school, equally regardless of their disability. The School expects all employees and all other members of the School community to comply with this policy. If an employee is disabled or becomes disabled during the course of employment, the School will endeavour to support the employee to as great an extent as is possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Bodies

The American School in London 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.

Charity Governance Code

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

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

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 £4,123K of donations from the connected charity (2018 - £4,328K).

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 aims, objectives and 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 awaken 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.

Trustees' report (continued)

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, which meets seven times a year, is organised into six standing committees - Admin/Finance, Advancement, Building & Grounds, Investment, Trustee Affairs and Executive. As part of our Strategic Plan Goal 1, it is critical that the School offers competitive compensation and benefits to attract and retain outstanding employees. This has to take 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 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 any member of the company as a 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.

STRATEGIC REPORT

Strategic Plan

The School's current 2010 Strategic Plan had the following goals:

Goal 1: An Outstanding Educational Program

The mission of ASL is to develop the intellect and character of each student. Central to the success of this goal is the commitment to an outstanding program that teaches our students to think critically, to communicate clearly, to collaborate effectively, and to contribute meaningfully as students and citizens. While developing the self-awareness and self-confidence needed to engage with the intellectual, emotional, and social tasks before them, our students must be challenged and supported by a talented faculty that is well trained, creative, and committed to our missions and program.

Goal 2: A Global Perspective and Character, Service and Leadership

We seek to develop a global perspective and a commitment to character, service and leadership in our students and our community. We recognize the value of promoting in our students a sense of empathy, cultural understanding and the obligation to serve others. Students must participate in authentic and meaningful service opportunities and learn the elements of effective leadership skills. We must extend the walls of our classrooms to London, Europe and the World.

Goal 3: An Inclusive and Diverse Community

Our community recognizes diversity as a component of excellence and believes that the environment that values difference promotes true learning and encourages respect for others. We must ensure that the broad range of diversity represented by our students, faculty and staff, families, alumni and parents of alumni continues to be developed, nurtured and celebrated. We must also reaffirm our commitment to inclusivity in order to strengthen our supportive and engaged community on campus and worldwide.

Goal 4: Effective Space to Meet Future Needs

Our facilities must support our evolving programmatic goals for ASL students. We must provide the proper facilities for flexible instruction and enrolment, a sense of community, program integration, physical education, the arts and athletics. Our goal is to improve our facilities so as to enhance our environmental performance. We must also remain strategically poised to take advantage of any properties adjacent to or near ASL that become available and to make adjustments to our facilities as our needs change.

Goal 5: Long-term Financial Stability and Flexibility

Financial stability is critical to the long-term confidence and continuity of the School. We recognize the need to provide competitive compensation for our outstanding faculty and staff, increased financial assistance for our families, and sufficient funds for program excellence and innovation, including facility maintenance and improvement. We are equally cognizant of concerns around rising tuition costs and the extent to which the School will reflect and respond to global economic variability and enrolment changes. We recognize the ongoing importance of robust Endowment Funds and Enrolment Reserves. We must provide appropriate financial stewardship, prudent oversight and careful planning on both a yearly and ongoing basis to ensure financial security for ASL.

For each goal, desired outcomes, strategies, and initiatives have been established and an implementation plan developed. The Board and School SLT monitor regularly the progress against each of these goals. A new strategic planning exercise was started in 2019, and commenced with a review of the ASL Mission Statement.

Trustees' report (continued)

Objectives for the Year

Each year the Board establishes specific annual goals, which are later subject to review. In 2018, the Board established the following priorities in addition to its on-going responsibilities (see page 13).

1. Continue to support the Head of School in her second year to ensure her successful transition

Achievements: The HOS continues to work closely and collaboratively with the Chair and Vice-Chair of the Board, as well as with the Executive Committee. The HOS reports feeling supported by the Board and the community at large. The HOS's annual evaluation in May 2019 revealed high levels of satisfaction with her performance.

2. Devise and implement a review of ASL's mission with an inclusive process which engages all constituencies.

Achievements: The Board of Trustees and the HOS worked together to develop an inclusive year-long process for mission review that involved contributions from faculty, staff, students, parents, alumni, and governance. The Board voted to approve a new mission statement in May 2019.

3. Continue to identify, develop and study strategic areas and planning processes going forward.

Achievements: The Board used the 2018-19 year to identify areas for strategic study after the conclusion of the mission review process. Several areas have been identified in relation to the new vision and mission of the school.

4. Monitor progress on mission adherence per the 2016-2017 Task Force conclusions and the achievement of outstanding institutional performance.

Achievements: The Senior Leadership Team produced reports related to the 2016-17 Task Force for each of the Board meetings in the 2018-19 year. All reports were made available to Board members for pre-reading and discussion. Reports related to teaching and learning and employee satisfaction. Longitudinal data will be presented annually in the future.

5. Monitor the implementation of the Action Plan that resulted from the 2015-2016 accreditation process (Organizational Health; Writing and Investigation; Written, Aligned Curriculum; and Cultural Competence).

Achievements: The Senior Leadership Team reported on the progress against the MSA Action Plan as part of the Mission Adherence reporting work mentioned in item 4, above.

6. Continue to evaluate and monitor the School's security and respond to needs as they arise with agreed policy changes and/or physical enhancements.

Achievements: The new security-enhanced entrance to on Waverley was completed and opened in January of 2019, on schedule and on budget. Ten sets of internal security doors were installed over the summer that allow the campus to be segregated. Additional funds were raised and allocated to the Security Reserve fund.

Principal Activities Undertaken: In addition to achieving the specific goals of the Board of Trustees, the School taught on average 1,401 students in the year spread over its 3 divisions: Lower School (423), Middle School (485) and High School (493). 6 new students entered the School during the year. 118 students graduated from the senior class in June 2019. Total enrolment was above the budgeted level needed to break even for the year.

The School continued to emphasize the importance of professional development of its faculty and staff, spending nearly £500K in support of employee participation in educational seminars, conferences and other professional development during the year.

Trustees' report (continued)

Access

Awards totalling £4,382K (2018, £3,915K) in Financial Aid and allowances were made to 158 (2018, 142) students in the year. Of these, 129 (2018, 109) 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 £29,020 (2018, £27,570).

Community Service Activities

The School recognizes that we have a civic responsibility and to our students, families and neighbours to engage with and strengthen our local community. Providing benefit through Community Service, or Service Learning, is an integral part of being a student at ASL. ASL has appointed a permanent all school community service coordinator to oversee this work. Through a wide range of partnerships with schools, youth agencies, elderly centres and homeless charities, ASL places itself at the heart of our West London community, learning from and with the people we serve. During the year, in recognition of the value of this work, ASL was asked by the Head of Education in Westminster Council to present to leaders of other independent schools about our partnership programs and their impact.

Supporting Young People

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

Our highly regarded **Saturday Shine program**, through which 27 ASL teachers and 30 ASL student volunteers helped deliver an 18-week enrichment program for 35 Key Stage three students identified as being in need of support by their secondary schools. Local head teachers have told us that this program has proved invaluable in re-engaging at-risk young people, dramatically improving their life chances.

young POWER and **younger power**: two highly successful and popular equity, inclusion and social action conferences for Sixth Formers, and KS3 students which we develop and deliver in close partnership with Westminster Academy. Together these conferences engaged more than 300 young people from 12 local schools in serious discussion of issues of social justice, equity, inclusion and wellbeing. Last year's program focused on key themes including mental health and wellbeing, LGBTQI inclusivity in schools, race, identity and belonging, austerity and the roots of knife crime.

West London Model United Nations conference, an annual student-organized program, helping young people in 230 students from 15 local schools develop skills in literacy, oracy, research and citizenship as they prepare for our annual conference. ASL high school students and teacher provide schools with training to prepare for this event, as well as developing extensive educational resources.

Trustees' report (continued)

High School Community Partnerships: The after-school community partnerships are the core of our high school program. The partnerships give students the opportunity to work after school directly with people from the broader London community. Programs take place in a variety of settings—including youth centers, schools, playgrounds, and shelters—they give students the chance to work with people in a wide range of circumstances. Students commit to join a team of volunteers visiting a site once week for a "sports season." ASL offers between 14-17 such programs per week, involving more than 100 students and teachers each week. In total, this program delivered in excess of 3,600 volunteer hours to our partners last year.

Westminster Robotics: The ASL Robotics team, as part of our Outreach Activities, had 8 weekly sessions with Westminster Academy to help them design and develop their robot. ASL students traveled to Westminster Academy.

Barrow Hill Dance Squad: Students delivered a very popular weekly after-school dance program for 25 students of Barrow Hill Junior School. The program lasted for two terms and culminated in a performance for parents.

Doorstep Drive: A group of our students who had been attending the Doorstep Homeless Families Assistance after-school partnership, organized a raffle of student art, and a gala event to raise more than £10,000 for summer enrichment programming at Doorstep. The enrichment activities were identified and organized by an ASL teacher, greatly helping the 40 young people from Doorstep while their center was closed for renovation.

Holiday Giving Tree Program: Students who volunteer to support our Community Partners by organizing a drive through which presents were purchased for 120 homeless young people at Doorstep; books and school supplies were purchased for approximately 100 students from the Winch; and 20 students and staff from Rugby Portobello Trust attended a Christmas pantomime.

Barrow Hill Junior School projects: We have developed an extremely positive relationship with Barrow Hill Junior School. This summer the bi-borough Westminster/RKBC Council asked ASL and Barrow Hill to co-present at their annual meeting of independent school heads, as an example of what an outstanding state-independent school partnership can look like. This year we organized and funded the following education programs and activities:

- A series of classes, co-taught with Barrow Hill Junior School, culminating in a shared art project involving students from both schools, facilitated by Kite Studios. This project was fully funded by ASL.
- A shared drama project, focusing on issues of human rights, and involving all Barrow Hill Year 4 students and all ASL Grade 3 students and culminating with a performance for parents from both schools. This project was fully funded by ASL.

Engaging the Elderly

Loneliness is endemic in modern society; many elderly people are isolated, or interact only with those of their own age or their professional carers. Simultaneously, many ASL young people have little experience of interacting with senior citizens, living far from grandparents and other elderly relatives. We see engagement with the elderly as a mutually beneficial aspect of our programming and we have very strong links with our local elderly centers and, in addition to their participation in Community Service Day, they benefit from our interactions in a number of ways:

More than 400 visits by elders attending our 3 "pre-theater" teas, through which they come to ASL for an afternoon tea served by parents and students, and attend our concerts and drama performances.

Grade 5 Elder Partnerships: 60 elders came to ASL over the course of last year for conversations and lunch with their 5th grade (partnerships). We organized a total of 12 meetings where our young people and elders learned about each other's lives and perspectives, and enjoyed each other's company.

Trustees' report (continued)

Grade 10 Health Elder Partnership: As part of our Grade 10 health program, each of our high school students visits local elderly centers, where they sit in small groups chatting with elderly patients, including dementia sufferers. Each student visits a center four times, providing vital companionship to elders, equating to 720 volunteer hours each year. One health class on hearing of budget cuts at the local center, organized a "tea" and "dance" at the center, raising more than £1,000 to help sustain these projects.

Elderly IT Cafes: A student-conceived program through which a group of 5 ASL students and teachers delivered 5 drop-in tech cafes at local elderly centers.

Danubius Christmas lunch: ASL parents play a key role supporting the annual Christmas lunch for elders at the local Danubius hotel.

Care for the Local Community

Two Community Service Days each of which involved more than 300 ASL students and parents, providing three hours of gardening, painting, cleaning and tidying at our 13 partner youth agencies, elderly centers, and schools. (Approximately 2,000 volunteer hours.) Many of these sites have been hard hit by austerity, and they are extremely grateful for the impact our volunteers make.

Service Drives: Service and Charitable clubs are a key part of high school life, and they often engage in fundraising programs for people in need in the UK and across the World. Key drives this year included funds for the Walkabout Foundations, the Extinction program of the ZSL, Rays of Sunshine, Autism Awareness, Firefly, and Waves. Parents also led efforts of the Wrap up London Coat Drive and various food drives.

Environmental Care: Every month, we host a litter walk in which between 10 and 30 students and parents clear litter in local playgrounds and parks. Twenty of our Grade 8 students participated in a morning beach clean in Essex, and 20 high schoolers participated in a clean of plastics in Regent's Canal.

Other Activities and Achievements:

1. The Lower School Facilities Committee worked with the operations and finance departments, outside consultants, engineers and architects in planning for the development of an early childhood and lower school play spaces.
2. While lower school faculty and staff benefit from significant opportunities for onsite professional development, one highlight was the work of our science consultant Paul Anderson which has helped to transform our thinking about what and how to teach science.
3. The Middle School updated the format for communicating with parents and guardians about student academic progress, by introducing student participation in February parent conferences.
4. The Middle School implemented an updated Code of Conduct, along with more clearly articulated protocols for faculty and staff to track and support positive behavior.
5. The Middle School introduced a new format for documenting and sharing student academic goals for those with diagnosed learning differences was implemented.
6. The High School implemented a new Grade 10 integrated science curriculum based on the Next Generation Science Standards.
7. The first iteration of the Advanced Independent Research Colloquium High School class ran and was a success, with each student finishing their experience with a capstone research project.

Trustees' report (continued)

Risk management and principal risks and uncertainties

In line with the Charities SORP 2015, the Trustees commission periodic risk management reviews. The next is planned in the spring of 2019. The aim is to identify any major risks identified under four headings: Strategic, Operational, Financial and Compliance. The risks are generated and considered at a meeting of Committee Chairs, the results are reviewed by the Admin/Finance Committee and then the full Board. The Admin/Finance Committee also reviews, each year, progress made in mitigating these risks and uncertainties. The principal risks and uncertainties that the Trustees identified as facing the School are:

- a. The risk that independent schools might lose their charitable and tax status. To mitigate these and other potential enrolment impacts, the School has created an Enrolment Reserve.
- b. The risks that the financial markets do not perform well so that there are reduced investment funds available to support the capital and income requirements of the School. The School has mitigated this risk with an Investment Committee to oversee independent investment managers and monitor their performance.
- c. The risks that capital in permanent endowment is not maintained. As above, the School has mitigated this risk with an Investment Committee to oversee independent investment managers and monitor their performance.

Trustees' report (continued)

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.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Consolidated Statement of Financial Activities on page 19 shows how the company's incoming resources have been expended during the year and the closing balances on each of the reserves, together with the results of the subsidiary company. The subsidiary company income was £381K (2018 - 290K) in the period and the expenses £281K (2018 - 268K) resulting in a profit of £100K (2018 - 22K profit). The financial statements and this Report comply with statutory requirements and the Statement of Recommended Practice: ("Charities SORP (FRS 102)").

Incoming resources increased from £44.5M to £46.3M during the year due mainly to the increase of tuition fees.

Net incoming resources for the year amounted to £1.7M (2018 – £2.9M) and as a result the total unrestricted reserves increased by £1.4 M, the restricted reserves reduced by £1.3M as the funds were spent on their purposes and the endowment increased by £1.6 M. 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 £4.9M (2018 - £8.3M) as shown in the Cash flow Statement on page 22 with the cash and cash equivalent balances at the level of £30.5 M compared to £30.2 M last year.

Reserves Level and Policy

The School's total reserves of £63.5M comprise £22.3M related to permanent endowment, £2.3M of expendable endowment, £0.4M of Restricted Reserves and £38.5M 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 2019 are set out. The Unrestricted Reserves of £38.5M are represented by £58.6M of the net book value of fixed assets less the associated funding by bank loans of £25.9M leaving free reserves of £5.8 M. However, in accordance with the School's Reserves Policy, the Unrestricted Reserves are then designated for specific purposes as set out in Note 13a).

As noted above, the School does not plan to retain surplus General Reserves. Specific reserves to provide funds for future expenditure or potential contingencies are called Designated Reserves and the major reserves are identified in the School's Reserves Policy. 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 due to general economic/business 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 was last reviewed in May 2018 and was set at between 8% and 12% 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. It is intended that this will be built up over the next 15-20 years to provide funds for new facility projects and development. The School also has a Designated Plant Reserve to ensure that it has funds available to cover its long-term maintenance plan to help assure the quality of its buildings and facilities. In addition, the School has established an Emergency Building and Equipment Reserve to provide funds for emergency repairs and improvements, including security.

Notes 12 and 13a) to the financial statements set out the Designated Reserve balances at 30 June 2019, the movements during the year and the anticipated uses of the reserves in the future.

Trustees' report (continued)

Fundraising Performance

The tradition of philanthropy and volunteerism, so critical to the continued excellence of all independent schools, has become an established and important aspect of life at ASL. In addition to the Annual Fund, which raised £1.8M of unrestricted giving this year, the School received £2.5M in restricted gifts for specific purposes. Fundraising at ASL is an important but modest part of the operation of the school comprising up to 5% of the operating budget and with further funding sought for specific capital campaigns and endowments. Fundraising is usually undertaken by affiliated organisations of, primarily, volunteer groups of parents and alumni. There are no professional fundraising organisations used and so no monitoring processes required. The school has subscribed to the Fundraising Regulator and adheres to the Code of Fundraising Practice when undertaking fundraising activity. Each year during the autumn current and former faculty, staff, parents and alumni are invited via letter to donate to that year's Annual Fund. There were no complaints received by the School in relation to fundraising activity. 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.

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, a tradition of fundraising and a good relationship with our key funders. We, therefore, have a reasonable expectation that we have sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the School to continue as a going concern.

Investment Policy and Objectives

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 2019, the Trustees will review the Investment Policy they adopted in 2000.

The policy states "The School, as a registered charity, recognises the need to place on deposit or to invest surplus monies in order to preserve the capital value of the institution and to produce a return consistent with prudent investment".

As with many independent schools, ASL receives tuition fees in advance and so has short-term cash surpluses available for deposit. The ASL Investment Policy sets out how these short-term deposits should be invested. In addition, in accordance with its Debt Policy, the company may borrow funds. The Investment Policy recognises that any longer-term surplus funds should take into account the possible reduction of borrowing before any investment decisions are made.

The Investment Policy recognises that Designated Funds are normally established to meet short-term needs. The investment of such reserves will normally, therefore, be in short-term bank deposits.

The Investment Policy states that investment of endowment funds "must balance current and future needs of the School and its beneficiaries. The majority of the endowment fund is invested in a range of funds managed by J. P. Morgan Private Bank. The current targeted annual draw from endowments is between 2% and 4% of their value to be available to be spent in the following School year. A draw of £700K was made in 2018/19.

Investment Performance

A total of £418k bank and interest income was generated for the year with £165k generated from unrestricted funds and the Endowment funds generating £253k. The Endowment has generated a further Net investment gain of £317K.

Trustees' report (continued)

Total Return Accounting

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

The Trustees have used the values of the permanent endowments at 30th June 2001 of £371K to represent the 'Preserved Value' of the original gifts. This was just after receipt of its second major gift of permanent endowment. 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 year, the Committee met four times. The Total Return amounted to £570K as shown in Note 13(c), which represents 2.66% of the average endowment value of £21.8M. £700K was allocated to income from the permanent endowment and £280K from the expendable endowment in 2018/19. Unapplied total return at 30th June 2019 was £2.1M.

Volunteers

Our School community is constantly and 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 PCA volunteers for a great year of events and programs. Funds raised will benefit the students in cross-divisional and cross-disciplinary projects.

FUTURE PLANS

The Trustees have approved the following specific goals for the School year 2019/20:

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.

2019-20 Priorities

1. Devise and implement an inclusive strategic design process which will identify the School's priorities and which will enable the School to execute initiatives which fulfill the mission of the School
2. Monitor progress on mission adherence and the achievement of outstanding institutional performance.
3. Monitor the implementation of the Action Plan that resulted from the 2015-2016 accreditation process (Organizational Health; Writing and Investigation; Written, Aligned Curriculum; and Cultural Competence).
4. Review the School's security audit, to be carried out under the advisement of the Buildings & Grounds Committee.

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: 25 November 2019

Independent auditor's report to the Members and Trustees

Independent Auditor's Report to the Members of The American School in London Educational Trust Limited

Opinion

We have audited the financial statements of The American School in London Educational Trust Limited for the year ended 30 June 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, the Consolidated Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2019 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report to the Members and Trustees

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditor's report to the Members and Trustees

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 9th December 2019

Consolidated Statement of financial activities
For the year ended 30 June 2019

	Notes	Total	<u>Restricted</u>		2019	2018
		Unrestricted	Other	Endowment	Total	Total
		£,000	£,000	£,000	£,000	£,000
Incoming resources						
<i>Income from charitable activities:</i>						
Fees receivable	2a	39,385	-	-	39,385	37,322
Other educational income	2b	1,708	-	-	1,708	1,575
Non-ancillary trading	2c	380	-	-	380	290
Bank and investment income		165	-	253	418	355
Donations		<u>1,859</u>	<u>1,444</u>	<u>1,071</u>	<u>4,374</u>	<u>4,984</u>
		<u>43,497</u>	<u>1,444</u>	<u>1,324</u>	<u>46,265</u>	<u>44,526</u>
Resources expended						
<i>Cost of raising funds:</i>						
Non-ancillary		(402)	-	-	(402)	(268)
Fundraising costs		(613)	-	-	(613)	(612)
Financing costs		<u>(709)</u>	<u>-</u>	<u>-</u>	<u>(709)</u>	<u>(663)</u>
		<u>(1,724)</u>	<u>-</u>	<u>-</u>	<u>(1,724)</u>	<u>(1,543)</u>
<i>Charitable activities:</i>						
School operating costs		<u>(42,934)</u>	<u>(262)</u>	<u>-</u>	<u>(43,196)</u>	<u>(40,565)</u>
Total resources expended		<u>(44,658)</u>	<u>(262)</u>	<u>-</u>	<u>(44,920)</u>	<u>(42,108)</u>
Net investment gain		-	-	317	317	447
Net income/(expenditure) before transfers		<u>(1,161)</u>	<u>1,182</u>	<u>1,641</u>	<u>1,662</u>	<u>2,865</u>
Transfers between reserves		<u>2,592</u>	<u>(2,522)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>
Net movement in reserves in the year		<u>1,431</u>	<u>(1,340)</u>	<u>1,571</u>	<u>1,662</u>	<u>2,865</u>
Balances brought forward at 1 July		<u>37,040</u>	<u>1,743</u>	<u>23,037</u>	<u>61,820</u>	<u>58,955</u>
Balances carried forward at 30 June		<u>38,471</u>	<u>403</u>	<u>24,608</u>	<u>63,482</u>	<u>61,820</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 Company and Balance sheet
For the year ended 30 June 2019

	Notes	Group 2019 £,000	Group 2018 £,000	Company 2019 £,000	Company 2018 £,000
Fixed assets					
Tangible assets	8	58,608	59,155	58,608	59,155
Investments	9	<u>22,337</u>	<u>20,581</u>	<u>22,337</u>	<u>20,581</u>
		80,945	79,736	80,945	79,736
Current assets					
Stock		26	30	26	19
Debtors	10	1,603	1,764	1,603	1,802
Current asset investments		2,271	2,456	2,271	2,456
Cash at bank and in hand		<u>30,524</u>	<u>30,219</u>	<u>30,420</u>	<u>30,155</u>
		34,424	34,469	34,320	34,433
Creditors: Amounts falling due within 1 year	11a	(25,943)	(25,091)	(25,840)	(25,077)
Net current assets		8,481	9,378	8,480	9,356
Total assets less current liabilities		89,426	89,114	89,425	89,092
Creditors: Amounts falling due after 1 more than 1 year	11b	(25,944)	(27,294)	(25,944)	(27,294)
Total net assets		63,482	61,820	63,481	61,798
Financed by:					
Accumulated reserves					
Unrestricted reserves:					
General		32,403	31,872	34,402	31,850
Designated	13a	<u>6,068</u>	<u>5,168</u>	<u>6,068</u>	<u>5,168</u>
Total unrestricted reserves		38,471	37,040	38,470	37,018
Restricted	13b	403	1,743	403	1,743
Endowments	13f	<u>24,608</u>	<u>23,037</u>	<u>24,608</u>	<u>23,037</u>
		63,482	61,820	63,481	61,798

The net result for the financial year dealt with by the financial statements of the parent charity was a surplus of £1,662 (2018: £2,843).

The financial statements on pages 17 to 41 were approved by the Board and authorised for issue on 25 November 2019.

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 2019

	Notes	2019		2018	
		£,000	£,000	£,000	£,000
Net cash inflow from operations					
Net cash provided by operating activities	i		<u>4,883</u>		<u>8,322</u>
Cash flows from investing activities					
Payments for tangible fixed assets		(2,570)		(2,948)	
Payments to acquire investments		(927)		(491)	
New money waiting investment		(258)		(200)	
Investment Income (Dividends and interests)		(253)		(235)	
Disposals of investments		-		-	
Bank interest and investment income receivable		<u>418</u>		<u>355</u>	
Net cash provided (used in) investing activities			<u>(3,590)</u>		<u>(3,519)</u>
Cash flow from financing activities					
New endowment		1,071		335	
New loans	iii	-		400	
Loans repaid	iii	(1,350)		(363)	
Bank interest payable		<u>(709)</u>		<u>(663)</u>	
Net cash provided by financing activities			<u>(988)</u>		<u>(291)</u>
Change in cash and cash equivalent in the reporting period			<u>305</u>		<u>4,511</u>
Cash and cash equivalents at the beginning of the period			<u>30,219</u>		<u>25,708</u>
Cash and cash equivalents at the end of the reporting period	ii		<u>30,524</u>		<u>30,219</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

	2019	2018
£,000	£,000	£,000
Net income before transfers	1,662	2,865
Elimination of non-operating cash flows:		
- Investment income	(418)	(355)
- Endowment donations	(1,071)	(335)
- Finance costs	709	663
- Unrealised investment (gain)	(317)	(447)
Depreciation	3,117	3,141
Decrease/(increase) in debtors	161	447
Increase in creditors excluding bank loans	859	2,463
(Increase)/decrease in current asset investments	185	(122)
Decrease in stocks	(4)	2
	<u>4,221</u>	<u>5,457</u>
Net cash inflow from operations	<u>4,883</u>	<u>8,322</u>

ii. Analysis of cash and cash equivalents

	2019	Cash flow movement in the year	2018
	£,000	£,000	£,000
Cash at bank	22,288	1,749	20,539
Deposits	8,236	(1,444)	9,680
	<u>30,524</u>	<u>305</u>	<u>30,219</u>

iii. Analysis of movement in bank loan

	2019	Increase in bank loan	2018
	£,000	£,000	£,000
Bank loan falling due within one year	370	-	370
Bank loan falling due after one year	25,944	(1,350)	27,294
Total bank loans	<u>26,314</u>	<u>(1,350)</u>	<u>27,664</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 to be 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 for certain staff as described in note 14.

Pension costs are charged on an accruals basis.

f) *Accounting for foreign currency transactions*

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

g) *Investments*

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

h) *Fees receivable*

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

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

Notes to the financial statements (continued)

i) *Donations*

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

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

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

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

j) *Total Return accounting*

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

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

All expenditure is accounted for on an accruals basis. Costs are allocated between the cost of generating funds and the actual cost of charitable activities by identifying the direct costs related to these activities. Any indirect costs are then apportioned on the basis of staff time. Charitable expenditure costs are also allocated to the different categories by direct costs where possible. Some compensation costs are apportioned on the basis of salary costs per category. Support costs comprise all the costs of running the non-teaching and non fund raising departments of the School such as Admissions, Communications and Finance. Salaries represent 90% of support costs.

Depreciation is included as part of premises costs.

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

l) *Going Concern*

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the Schools future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Schools financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

2a Fees receivable	2019	2018
	£,000	£,000
Gross tuition fees	42,021	39,425
Less: Financial Aid	<u>(4,128)</u>	<u>(3,681)</u>
Net tuition fees	37,893	35,744
Other fees:		
Gross Transportation	1,200	1,173
Less: Financial Aid	<u>(116)</u>	<u>(109)</u>
Net Transportation	1,084	1,064
Applications and retentions	409	514
	<u>39,385</u>	<u>37,322</u>

2b Other educational income	2019	2018
	£,000	£,000
Gross Trips	606	567
Less: Financial Aid	<u>(39)</u>	<u>(42)</u>
Net Trips	567	526
Summer, After School programs and other income	1,240	1,132
Less: Financial Aid	<u>(99)</u>	<u>(83)</u>
	<u>1,708</u>	<u>1,575</u>

2c Non ancillary income	2019	2018
	£,000	£,000
Trading income from membership fees and swimming lessons	<u>380</u>	<u>290</u>

3 Analysis of total resources expended

	Staff costs	Other	Depreciation	2019	2018
	£,000	£,000	£,000	Total	Total
	£,000	£,000	£,000	£,000	£,000
Charitable Activities					
Teaching costs	22,683	4,259	-	26,942	25,988
Welfare	1,868	863	-	2,731	2,621
Premises	849	3,059	3,117	7,025	5,718
Transport	164	827	-	991	981
Support costs	4,855	547	-	5,402	5,149
Governance costs	<u>87</u>	<u>18</u>	<u>-</u>	<u>105</u>	<u>108</u>
	<u>30,506</u>	<u>9,573</u>	<u>3,117</u>	<u>43,196</u>	<u>40,565</u>
School operating costs					
Costs of raising funds					
Fundraising costs	505	108	-	613	612
Financing costs	-	709	-	709	663
Non-ancillary	<u>134</u>	<u>268</u>	<u>-</u>	<u>402</u>	<u>267</u>
	<u>31,144</u>	<u>10,658</u>	<u>3,117</u>	<u>44,920</u>	<u>42,108</u>

Notes to the financial statements (continued)

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

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

	2019	2018
	£,000	£,000
Depreciation of tangible fixed assets	3,117	3,141
Auditors' remuneration		
- audit services	33	26
- non-audit serves	3	3
Financing costs	709	663
Staff costs – see note 5	<u>31,168</u>	<u>30,116</u>

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:

	2019	2018
	£,000	£,000
Wages and salaries	26,322	25,298
Social security costs and NI contributions	2,614	2,633
Other pension costs	<u>2,232</u>	<u>2,185</u>
	<u>31,168</u>	<u>30,116</u>

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

	2019	2018	2019	2018
	Average	Average	FTE Number	FTE Number
Teachers and Teachers' Support	245	239	233	228
Administration	<u>111</u>	<u>108</u>	<u>108</u>	<u>109</u>
Total	<u>356</u>	<u>347</u>	<u>341</u>	<u>337</u>

The above numbers include 1 teacher / teachers' support on sabbatical leave during 2019 and 116 employees of the Foundation (2018 – 116). During the year, there were no redundancy or termination payments. The above numbers include 10 (2018 – 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:

	2019	2018
	Number	Number
£60,001 - £70,000	33	46
£70,001 - £80,000	37	41
£80,001 - £90,000	64	68
£90,001 - £100,000	31	15
£100,001 - £110,000	12	6
£110,001 - £120,000	4	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£150,001 - £160,000	3	3
£160,001 - £170,000	-	1
£170,001 - £190,000	2	1
£190,001 - £200,000	2	2
£200,001 - £210,000	-	1
£320,001 - £330,000	1	1
	<u>190</u>	<u>188</u>

The total employers' pension contributions to the School's and Foundation's defined contribution schemes amounted to £1,630K (2018 £1,628K) in respect of the employees above.

	2019	2018
	£,000	£,000
Aggregate employee benefits of key management personnel (the SLT including the Head of School)	<u>1,899</u>	<u>1,860</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:

	2019	2018
	£,000	£,000
Salary	328	320
Deferred compensation	-	-
Other remuneration including housing and other benefits in kind	10	19
Pension contributions	<u>31</u>	<u>32</u>
Total	<u>369</u>	<u>371</u>

Notes to the financial statements (continued)

7 Transfers between reserves

In accordance with Note 1i, the transfers from restricted to unrestricted reserves totalled £1,613K. These were in respect of the use of donated funds to help pay for capital projects. In addition, £980K was allocated to income from endowment for Financial Aid.

8 Tangible fixed assets - Group and Company

	Land and buildings						Total
	Freehold	Assets under	Building	Long	Furniture	Motor	
		Construction	Extension and Refurbishment	Leasehold	and Equipment	Vehicles	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Cost							
At 1.7.18	15,453	167	66,938	2,430	5,722	28	89,738
Additions	-	-	1,757	-	957	23	2,570
Disposal	-	167	-	-	-	(28)	(28)
At 30.6.19	<u>15,453</u>	<u>-</u>	<u>67,695</u>	<u>2,430</u>	<u>6,679</u>	<u>23</u>	<u>92,280</u>
Depreciation							
At 1.7.18	491	-	25,904	390	3,770	28	30,583
Disposal	-	-	-	-	-	(28)	(28)
Charge	80	-	2,207	39	785	6	3,117
At 30.6.19	<u>571</u>	<u>-</u>	<u>28,111</u>	<u>429</u>	<u>4,555</u>	<u>6</u>	<u>33,672</u>
Net book value							
At 1.7.18	<u>14,962</u>	<u>167</u>	<u>40,034</u>	<u>2,040</u>	<u>1,952</u>	<u>-</u>	<u>59,155</u>
At 30.6.19	<u>14,882</u>	<u>-</u>	<u>39,584</u>	<u>2,001</u>	<u>2,124</u>	<u>17</u>	<u>58,608</u>

At 30 June 2019, the Company has no capital commitments authorised and contracted for but outstanding, in respect of land and buildings refurbishment of approximately (2018 £1.5M).

9 Investments – Group and Company

	2019		2018	
	Group & Company		Group & Company	
	£,000	£,000	£,000	£,000
Market value of investments brought forward		20,581		19,208
Disposals in year		-		-
Purchases in year		928		491
New money waiting investments		258		200
Investment income reinvested		253		235
Gross investment gain in the year	455		582	
Management fee	<u>(138)</u>		<u>(135)</u>	
Net investment gain in year		317		447
Market value carried forward		<u>22,337</u>		<u>20,581</u>
Cost of investments carried forward		<u>20,267</u>		<u>19,140</u>

The total unrealised gain included above was £2,070K at 30 June 2019 (2018 – £1,441K).

Notes to the financial statements (continued)

	Group & Company	Group & Company
	2019	2018
	£,000	£,000
Investments comprise:		
Listed investments		
Fixed interest	4,579	3,281
Equities	8,549	8,414
Alternative investments	8,936	8,602
Cash	667	905
Forex	(394)	(621)
Group investments	22,078	20,581
Investment in subsidiaries	-	-
Company investments	<u>22,337</u>	<u>20,581</u>

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

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

Notes to the financial statements (continued)

10 Debtors

Amounts falling due within one year:	Group 2019 £,000	Group 2018 £,000	Company 2019 £,000	Company 2018 £,000
Other debtors	1,078	1,419	1,078	1,419
Prepayments and accrued income	525	345	525	345
Amounts owed by group undertaking	-	-	-	38
	<u>1,603</u>	<u>1,764</u>	<u>1,603</u>	<u>1,802</u>

11 Creditors

a) Amounts falling due within one year:	Group 2019 £,000	Group 2018 £,000	Company 2019 £,000	Company 2018 £,000
Fees received in advance (note 1h)	20,818	20,746	20,818	20,746
PAYE and social security creditors	1,699	1,586	1,669	1,586
Other creditors and accruals	3,056	2,389	2,953	2,372
Amounts owed to Group undertaking	-	-	-	3
Bank loan payments	370	370	370	370
	<u>25,944</u>	<u>25,091</u>	<u>25,840</u>	<u>25,077</u>

b) Amounts due after one year – Group and Company	30 June 2019 £,000	Increase in bank loan £,000	30 June 2018 £,000
Bank loan falling due after one year	<u>25,944</u>	<u>(1,350)</u>	<u>27,294</u>

The bank loans are secured on certain property at the School. The interest on the loan is calculated at a fixed percentage above LIBOR. The loans are ten-year term loans.

12 Allocation of Group Net Assets

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

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

The investment policy with respect to endowment reserves is summarised on pages 12-13.

The notes on pages 30 - 36 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 2018 £,000	New funds designated £,000	Resources expended £,000	Transfer to general reserve £,000	Balance June 2019 £,000
Enrolment reserve	3,360	440	-	-	3,800
Facilities reserve	-	1,455	(448)	(1,007)	-
Building & Equipment reserve	539	25	-	-	564
Plant reserve	606	1,294	(1,083)	-	817
Prolonged Disability reserve	54	-	-	-	54
Staff Cost reserve	254	100	(7)	-	347
New Initiatives reserve	355	175	(44)	-	486
	<u>5,168</u>	<u>3,489</u>	<u>(1,582)</u>	<u>(1,007)</u>	<u>6,068</u>

Enrolment reserve

The enrolment reserve represented approximately 8.9% of budgeted tuition income at 30 June 2019. The School undertakes regular reviews of the level of this reserve. In 2015, it revised the target to a range of 8-12% and this was reconfirmed by review in 2018. While enrolment in the last few years has been stable, enrolment is largely dependent on factors outside the control of the School. Historically, enrolment has fluctuated significantly and by up to 100 students from year to year. This reserve will enable the School to maintain its staff and operating cost levels in the short-term (over 2-3 years).

Facilities reserve

This reserve is held to help fund future facilities developments in accordance with the School's reserves policy. The amounts transferred to this reserve during the year were £1,055K and £400K to help fund strategic properties. The resources expended of £448K were in respect of the bank loan interest. The balance on the reserve was transferred to General Reserves at the end of the year when all the funds had been used for their designated purposes.

Building and Equipment reserve

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

Plant Reserve

This reserve was created in 2008 and £950K was added in 2019. £1,083K was spent during the year on improved energy efficient lighting £250K, replace chillers £666K, Plant room AHU £67k and replace fan coil units £100k. The balance on this reserve is planned to be spent in the next two years.

Notes to the financial statements (continued)

Prolong 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 and for increases in compensation arising from the 2003 Strategic Plan and in line with the Compensation Philosophy review in 2006. £100K was transferred to this reserve during the year. During the year £7K was spent, mainly in respect of exceptional long service awards to employees leaving ASL and senior leadership recruitment and transition costs. The current reserve balance is expected to be spent over the next 1-2 years.

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. The main projects undertaken in 2018 were for a new computer science program and additional support for students where English was not their first language.

b) Restricted reserves

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

New Frontiers Capital Campaign

This campaign was to help build new Art, Fitness and Science Centers in 2014 to 2016 and to help create an endowment for Student Financial Assistance. The transfers between reserves reflect the donations used to create the endowment for Student Financial Assistance.

Other reserves

Other reserves comprise mainly funds received from the Parent Community Association (PCA), together with funds for security projects. The resources expended of £262K represented various expenses funded from restricted donations, including personnel, books and materials. The transfers between reserves of £1,613K reflect capital expenditure funded from these reserves. The remaining reserves are expected to be spent in the next 1-2 years.

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

Notes to the financial statements (continued)

13 Reconciliation of opening and closing reserves (continued)

c) Permanent Endowment funds - Statement of total return

Calculation of total return:	£,000
	2019
Investment returns in year	
Investment income	253
Capital gains	317
Total return for year	570
Less: Allocation to income	(700)
Movement in unapplied total return for the year	(130)
Unapplied total return	
30 June 2018	2,279
30 June 2019	2,149
Add:	
Preserved value at 30 June 2001	371
Additions since 30 June 2001	19,816
Total preserved value at 30 June 2019	20,187
Total value of permanent endowment	22,337

Note 13d

d) Permanent Endowment funds

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

e) Expendable endowment funds:

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

Notes to the financial statements (continued)

13 Reconciliation of opening and closing reserves (continued)

f) Total Endowment	2019	2018
	£,000	£,000
Permanent	22,337	21,406
Expendable	2,271	1,631
	<u>24,608</u>	<u>23,037</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 £2,232K (2018 £2,195K) at 30 June 2019.

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 £381K, and a profit before tax and gift aid of £100K in the year ended 30 June 2019 (2018 - £22K). At 30 June 2019, 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 2019, the School charged £255K 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 2019 (2018 – nil).

16 Financial Instruments

	Fair Value	Amortised cost	Non financial instruments	2019 Total	2018 Total
	£,000	£,000	£,000	£,000	£,000
Assets					
Tangible assets	-	-	58,608	58,608	59,155
Investments	22,078	-	-	22,078	20,381
Stock	-	26	-	26	30
Debtors	-	1,078	525	1,603	1,764
Cash at bank and in hand	-	33,054	-	33,054	32,875
Liabilities					
Creditors due within one year	-	(25,943)	-	(25,943)	(25,091)
Creditors due after one year	-	(25,944)	-	(25,944)	(27,294)
	<u>22,078</u>	<u>(17,729)</u>	<u>59,133</u>	<u>63,481</u>	<u>61,820</u>

The income, expenditure and net gains and losses recognised in the Statement of Financial Activities during the year to 30 June 2019 by category are shown below:

	Fair Value	Amortised cost	2019 Total	2018 Total
	£,000	£,000	£,000	£,000
Investment income	253	-	253	235
Foreign exchange gains on evaluation	-	59	59	30
Net gains on investments	<u>317</u>	<u>-</u>	<u>317</u>	<u>447</u>
	<u>570</u>	<u>59</u>	<u>629</u>	<u>712</u>

Notes to the financial statements (continued)

17 Comparative fund statements for year ended 30 June 2018

Statement of Financial Activities

	Notes	Total	Restricted		2018	2017
		Unrestricted	Other	Endowment	Total	Total
		£,000	£,000	£,000	£,000	£,000
Incoming resources						
<i>Income from charitable activities:</i>						
Fees receivable	2a	37,322	-	-	37,322	35,633
Other educational income	2b	1,575	-	-	1,575	1,538
Non-ancillary trading	2c	290	-	-	290	78
Bank and investment income		120	-	235	355	394
Donations		1,682	2,967	335	4,984	6,556
		<u>40,989</u>	<u>2,967</u>	<u>570</u>	<u>44,526</u>	<u>44,199</u>
Resources expended						
<i>Cost of raising funds:</i>						
Non-ancillary		(268)	-	-	(268)	(75)
Fundraising costs		(582)	(30)	-	(612)	(591)
Financing costs		(663)	-	-	(663)	(553)
		<u>(1,513)</u>	<u>(30)</u>	<u>-</u>	<u>(1,543)</u>	<u>(1,219)</u>
<i>Charitable activities:</i>						
School operating costs		(40,403)	(159)	(3)	(40,565)	(39,475)
Total resources expended		<u>(41,916)</u>	<u>(189)</u>	<u>(3)</u>	<u>(42,108)</u>	<u>(40,694)</u>
Net investment gain		-	-	447	447	730
Net income/(expenditure) before transfers		<u>(927)</u>	<u>2,778</u>	<u>1,014</u>	<u>2,865</u>	<u>4,235</u>
Transfers between reserves		1,322	(1,803)	481	-	-
Net movement in reserves in the year		<u>395</u>	<u>975</u>	<u>1,495</u>	<u>2,865</u>	<u>4,235</u>
Balances brought forward at 1 July		<u>36,645</u>	<u>768</u>	<u>21,542</u>	<u>58,955</u>	<u>54,720</u>
Balances carried forward at 30 June		<u>37,040</u>	<u>1,743</u>	<u>23,037</u>	<u>61,820</u>	<u>58,955</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 2018 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	825	-	20,581	-	21,406
Expendable endowment	1,631	-	-	-	1,631
Restricted reserves	1,743	-	-	-	1,743
Designated enrolment reserves	3,360	-	-	-	3,360
Designated facilities reserves	1,145	-	-	-	1,145
Designated reserves – other	663	-	-	-	663
General reserves	11	(27,294)	-	59,155	31,872
Total reserves	9,378	(27,294)	20,581	59,155	61,820

Reconciliation of opening and closing reserves

a) Designated reserves	Balance 30 June 2017 £,000	New funds designated £,000	Resources expended £,000	Transfer to general reserve £,000	Balance June 2018 £,000
Enrolment reserve	3,110	250	-	-	3,360
Facilities reserve	-	1,850	(408)	(1,442)	-
Building & Equipment reserve	464	75	-	-	539
Plant reserve	426	596	(416)	-	606
Prolonged Disability reserve	54	-	-	-	54
Student Services Project reserve	62	-	(62)	-	-
Staff Cost reserve	255	165	(166)	-	254
New Initiatives reserve	-	495	(140)	-	355
	4,371	3,431	(1,192)	(1,442)	5,168

b) Restricted reserves	Balance 30 June 2017 £,000	Incoming resources £,000	Resources expended £,000	Transfer between reserves £,000	Balance June 2018 £,000
New Frontiers Capital Campaign	-	1,375	(15)	(1,360)	-
Other restricted reserves	-	1,591	(173)	(443)	1,743
	768	2,966	(188)	(1,803)	1,743

Notes to the financial statements (continued)

c) Permanent Endowment funds

	Balance 30	Transfers		Total	Allocation	Balance 30
	June 2017	between	Reserves	Return	to Income	June 2018
	£,000	£,000	Donations	£,000	£,000	£,000
Student Financial Assistance	6,201	1,360	122	212	(218)	7,677
Facilities Fund	151	-	-	5	(5)	151
Community Enrichment	616	-	-	21	(22)	615
Faculty and Staff support	12,439	-	33	426	(437)	12,461
General	503	-	-	17	(18)	502
	<u>19,910</u>	<u>1,360</u>	<u>155</u>	<u>682</u>	<u>(700)</u>	<u>21,407</u>

d) Expendable endowment funds:

	Balance 30	Transfers		Total	Allocation	Balance 30
	June 2017	between	Reserves	Return	to Income	June 2018
	£,000	£,000	Donations	£,000	£,000	£,000
Student Financial Assistance	879	-	177	-	(180)	877
Faculty and Staff support	753	-	2	(2)	-	753
	<u>1,632</u>	<u>-</u>	<u>179</u>	<u>(2)</u>	<u>(180)</u>	<u>1,630</u>