

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

**Financial Statements  
for the year ended 30 June 2023  
together with Trustees' and Auditor's Report**

Company Registration Number: 784923

Registered Charity Number: 312738

SATURDAY



\*ACYJ8700\*

A08

09/03/2024

#263

COMPANIES HOUSE

	Page
Trustees, Officers and Advisers	1
Trustees' report	3
Directors' report	3
Independent Auditor's report	22
Statement of financial activities for the year ended 30 June 2023	26
Balance sheet	27
Cash flow statement	28
Notes to the cash flow statement	29
Notes to the financial statements	30

## Trustees, Officers and Advisors

### Trustees

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

Mark Agne	
Darren Allaway	
Chris Anderson	
Cynthia Bake	Vice Chair
Luca Bassi	
Darcey Crawford	Resigned 1 July 2023
Alison Ferguson-Woods	
Daniel Hajjar	
George Hatzmann	Company Secretary
George Hadjigeorgiou	Appointed 1 July 2023
Coreen Hester	Resigned 1 July 2023
Priya Hiranandani Vandrevala Stanford (Doc) Horn	Resigned 1 July 2023
Gwion Lewis	Appointed 1 July 2023
Matthew Horvat	Appointed 1 July 2023
Mallika Kapur	
Sherine Magar-Sawiris	
Rebecca Manuel	Resigned 1 July 2023
Michael A. McCarthy	Appointed 21 August 2023
Liad Meidar	
Ralph Rivera	
Erin Roth	Chair
Hahnah Semiñara	
Stephanie Schueppert	
Nikos Stathopoulos	Resigned 1 July 2023
Kavi Thakrar	
Stacey Towfighi	
McKenzie Webster	
Christopher Whitman	Resigned 1 July 2023
Irene Zia	

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

### Officers

Coreen R. Hester	Interim Head of School (until 30 <sup>th</sup> June 2023)
Matthew Horvat	Head of School (from 1 <sup>st</sup> July 2023)
John Robinson	Director of Finance

### Principal Address and Registered Office

One Waverley Place, London, NW8 0NP

## Trustees, Officers and Advisors

### Advisors

#### Bankers

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

Barclays Bank Plc  
1 Churchill Place  
London, E14 5HP

#### Solicitors

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

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

#### Auditor

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

#### Investment managers

Partners Capital  
5 Young Street,  
London, W8 5EH

J.P. Morgan  
60 Victoria Embankment  
London, EC4

## Trustees' Report

### DIRECTORS' REPORT

The American School in London Educational Trust Limited (ASL, also referred to as School) 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 have their registered office address at One Waverley Place, London, NW8 0NP.

The Trustees, as directors of ASL, present their annual report on the affairs of the School for the year ended 30 June 2023 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.

Founded in 1951, the American School in London is an independent, college-preparatory, K-12-day school, providing an exceptional American education to an international student body in the heart of London. Innovation and individuality are celebrated, and outstanding academic success is applauded. Students thrive amid high expectations and the joy of authentic learning experiences. Committed to creating courageous global citizens, the School inspires students to engage with others across lines of difference in a changing world. Our diverse student body of approximately 1,400 represents 66 nationalities and speaks 62 languages, and families join the School from all over the globe. London is an extension of the classroom, and the School makes the most of the cultural and artistic opportunities our location provides.

### 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 children of any nationality and to provide educational instruction of the highest calibre, together with physical and moral learning. Within these objects, the School has created a Mission Statement, Core Values, Portrait of a Learner and a Diversity, Equity and Inclusion Statement.

#### Public Benefit

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

#### Mission Statement

The School's mission is that the American School in London empowers each student to thrive as a lifelong learner and courageous global citizen by fostering intellect, creativity, inclusivity and character.

### CHARITY GOVERNANCE CODE

The ASL Board of Trustees takes its governance responsibilities seriously and, as ASL is 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, regulatory and legal responsibilities, are committed to supporting ASL to deliver its objectives most effectively for its beneficiaries' benefit, and contribute to ASL's continued improvement.

## Trustees' Report

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

### **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 the Head of School and then to a team of administrators (the Senior Leadership Team (SLT)). The SLT was led by the Interim Head of School, Coreen R. Hester up to 30 June 2023. On 1 July 2023, Matt Horvat became ASL's ninth Head of School. Prior to joining our school, Matt served for 11 years as head at The Overlake School in Redmond, Washington, U.S.A., a grade 5-12 independent school.

The Board held five regular meetings with one additional meeting specifically to address the successful Ofsted inspection. The Board is organised into eight standing committees - Admin/Finance, Advancement, Building & Grounds, Student Experience, Investment, Governance, Executive and Independent School Standards (ISS) Compliance.

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

### **RECRUITMENT AND TRAINING OF TRUSTEES**

The Board may, from time to time, elect a new member of the Board either to fill a casual vacancy or by way of addition to the Board, subject to the current maximum number of thirty. Any member so elected shall retain office only until the next Annual General Meeting, but shall then be eligible for re-election. At the Annual General Meeting every year, one third of the members of the Board retire by rotation but are eligible for re-election until they have served a maximum of three terms of three years, with some exceptions. Trustees are nominated by the Governance Committee based upon the specific needs, skills and responsibilities required by the Board. New Trustees receive training at the time of their appointment. Trustees also regularly engage in training on governance matters at special meetings.

### **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:

## Trustees' Report

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP (Statement of Recommended Practice)
- 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

### OBJECTIVES FOR THE 2022-23 YEAR

Each year the Board establishes specific annual goals, which are later subject to review. In 2022, the Board established the following priorities in addition to its on-going responsibilities (see pages 4 and 20) and these are reviewed below.

1. Address the failures noted in the 2021 Ofsted report and ensure ASL's ongoing adherence to and have oversight of the Independent School Standards.

The Ofsted inspection in November 2022 confirmed that the school met all of the Independent School Standards that were checked during this inspection. On Ofsted's site, 96% of the School's parents said that they would recommend this school to another parent. The Board considers that it has met all the standards and is fully prepared for the next Ofsted inspection.

2. Work with the Interim Head of School to rebuild trust and improve communication throughout the School community.

This objective was met. The parent listening sessions hosted by Mrs. Hester continued from last year with a series of roundtable meetings as parent meetings. School communications improved throughout the year.

3. Appoint a new Head of School and develop a clear strategic transition plan to support the incoming Head.

The objective was met. Mr. Horvat had been appointed as the Head of School and concrete goals have been set for the 2023-2024 school year. The strategic transition plan focussed on information sharing with the previous Interim Head of School, with the school community as a whole, in-person events with the Board and Senior

## Trustees' Report

Leadership Team and also welcoming Mr Horvat and his wife to London, the school and to his new home at Bruce House..

4. Monitor risks to the School and its community including financial, legal and media risks.

This objective had been met. There was an annual risk review process with membership of all the Chairs/Co Chairs of the Board Committees, the Interim Head of School and the Director of Finance to discuss and prioritize areas of risk. The group identified 3 general area of potential risk as 1) Decrease in enrolment; 2) A major catastrophe including terrorism; 3) Complicated, long-term litigation.

The assigning of responsibilities for mitigation of the risks identified were further reviewed once Mrs Hester had held discussions with the SLT and the Board.

### PRINCIPAL ACTIVITIES UNDERTAKEN

In addition to achieving and continuing to work on the specific goals of the Board of Trustees, the School taught on average 1,397 students in the year, spread over its three divisions:

Lower School (376)      Middle School (491)      High School (530)

Total enrollment was above the budgeted level for the year with high re-enrollment at 94% and 265 new students entering the School. The School's world-class faculty fosters confidence, curiosity and well-being in our students, preparing them for life beyond ASL. The School develops kind, independent individuals who will embrace learning and future challenges with confidence and the courage to act. The American curriculum emphasizes steady progression in core academic areas. ASL offers an unusually wide array of options for students to extend their knowledge in several subject areas. ASL's curriculum is enhanced by broad offerings in the computer sciences, and in the visual and performing arts. Students learn to make thoughtful choices to achieve the best possible balance between breadth and depth. 136 students graduated from the senior class in June 2023 with students accepted to colleges and universities in eight countries.

### FINANCIAL AID

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

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

Awards totalling £6,137K (2022, £5,672K) in financial aid and allowances were made to 196 (2022, 187) students in the year. Of these, 175 (2022, 162) 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.

## Trustees' Report

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 the independent School and Student Services for Financial Aid (a US model of assessing need) to determine 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 £29,130.

### 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 donors. The Board has reviewed its liquidity, its solvency, its loan covenants, high re-enrolment driving high overall enrolment for the 2023-24 year, and the level of reserves. The School has, therefore, a reasonable expectation that it has sufficient resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of the signing of this report. The Trustees believe that there are no material uncertainties that call into doubt the ability of the School to continue as a going concern.

The School was inspected by Ofsted on 15 December 2021 and in March 2022 their report was published stating that our rating has been changed from *Outstanding* to *Requires Improvement* because the school had not met three of the Independent School Standards. The school developed an action plan to meet those standards and Ofsted inspected the school again in October 2022 and concluded that the school now meets the Independent School Standards of i) Quality of education provided, ii) Spiritual, moral, social and cultural development of pupils and iii) Quality of leadership in and management of schools. Additionally, the inspectors spent time on two other standards we had passed previously – a regular part of their protocol - and confirmed that the School continues to meet the standards for its safeguarding practices and for the provision of information for all constituencies. The Ofsted survey results showed that 96% of parents would recommend this school to another parent and that 98% of parents agree that their children are happy at the School. As we move forward, we will be relentless in continuing to improve the quality of education for our students. Inspections of this kind help us to reflect on and refine our practice. The Senior Leadership Team and the Board of Trustees are working closely with our new Head of School, Matthew Horvat, to ensure that ASL continues to be a reflective and dynamic educational environment for all.

The School has been accredited by the Middle States Association of Colleges and Schools (MSA) for several decades which ensures that we maintain a high level of US and international school educational standards and informs universities of the quality of our students' educational experience. It emphasizes continuous improvement; is a non-profit organization; inspections are conducted by fellow educators from schools who volunteer for accreditation visits; and in the 2022-23 school year, we completed our self-study for accreditation. Our steering committee created a vision for the self-study. Six committees met over the course of the year to gather evidence for each of the six standards: School Profile, Foundations, Governance & Leadership, Resources, Student Well-being, and Teaching & Learning. The planning team, which is comprised of members of the SLT, ALT, Trustees, employees, parents, and students provided feedback throughout the process. Based on the success of the self-study, ASL was selected by MSA to utilize a new protocol for accreditation called Sustaining Excellence. This protocol is only offered to "leading schools" based on a school's efficacy over time in producing the levels of student performance that are desired and expected by their community stakeholders. The protocol entails an action research project that allows the school to focus its time, energy and resources on a singular focus. Since completing the self-study, ASL has been the process of developing Phase I of the action research proposal which will be submitted in September 2023. Following that, we will embark on developing Phase II of the action research over the course of the 2023-24 school year. Finally, the MSA accreditation team are expected to visit on March 4-5, 2024 for our self-study review.

## Trustees' Report

### EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF PEOPLE WITH A DISABILITY

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

We consult with our employees about future School activities and issues of direct concern (such as terms and conditions) through a range of mechanisms. Employees are represented by faculty and staff associations who meet frequently with the School administration to discuss employees' requests and to resolve concerns. When a decision is made that is likely to affect the interest of employees, a full and thorough consultation process is carried out. Examples of such consultations are: annual salary and benefits meetings with faculty and staff associations and the Senior Leadership Team (specifically, a minimum of three meetings before a final decision is made); briefings to employees at the beginning and end of the academic year in all-School meetings to update them on current issues and solicit feedback; monthly meetings held between the faculty association and Head of School; and annual leadership surveys for employees to provide extensive feedback on the effectiveness of the Senior Leadership Team. Leaving employees are also offered the opportunity to participate in exit interviews, the results of which are presented to the Board of Trustees annually. Results from the 2022 survey showed that 82% of leavers rated their overall experience as positive, with 88% indicating that they would recommend working at ASL to a friend.

### DIVERSITY, EQUITY AND INCLUSION STATEMENT

The School's Diversity, Equity and Inclusion Statement which had been developed from surveys, focus groups and interviews with faculty, staff, students and families remains a core tenant of ASL community. The statement is both reflective and aspirational, reflecting calls for action, authenticity and accountability to create a better future for our students.

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

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

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

## Trustees' Report

### COMMUNITY SERVICE ACTIVITIES

Through a wide range of partnerships with schools, youth agencies, elderly centers, and homeless charities, ASL places itself at the heart of our West London community, learning from and with the people we serve. Student voice and interests shape the program.

This year was the largest in the history of the high school program. Our community partnerships consist of between 20 and 23 weekly activities, varying from season to season.

Over the year, 280 high school students participated in the various elements of the community action program, as well as 40 middle schoolers. For many of our students, community action becomes part of their identity, with 87% engaging in multiple aspects of the program.

This past year saw the birth of several new after-school partnership programs to which our students bring their skills and passions, enriching learning at schools in the local community:

- Five Grade 11 students launched Wobbeltech, providing weekly coding and app development lessons to young people at Harris Academy, St. John's Wood.
- Students taught dance at Barrow Hill Junior School and organized and delivered a sustainable art program. We also launched new Zumba programs at both Barrow Hill and George Eliot schools, which proved very popular.
- High school students delivered weekly robotics enrichment activities to George Eliot and Holy Trinity CofE Primary school students.
- *West London Model United Nations (MUN)* has grown into one of London's flagship MUN events, involving more than 330 young people from 22 London schools. In addition to organizing this major event and serving as committee chairs, our student leaders delivered training to participants at ASL, weekly training sessions at Harris Academy, and online training sessions at Bow School.

Our youngPOWER conference drew together students from six London schools to connect and explore paths around the theme of Voices from the Margins. The work involved weekly meetings of the conference executive team comprised of students from ASL and Westminster Academy. Over 160 students, 117 from outside ASL, attended the conference, featuring outstanding speakers, including Laura Bates, author of the "Everyday Sexism" blog, young climate and community activist Anita Okunde, and poet Kat Francois.

2022-23 saw the launch of the High School Community Action Council (CAC). The CAC's activities included co-organizing Community Volunteer Day with the School's Parent Community Association. The Community Volunteer Day supported the HandsOn London coat drive and collected 372 coats, coordinated food drives, managed the holiday Giving Tree Program and provided gifts to 226 children at the Winch, Doorstep and PACE, organized a bangers and bash dunk tank for charity; coordinating bake sales in response to the earthquakes in Turkey and Syria, and London cost of living crisis, as well as an all-school fundraising drive in support of victims of the floods in Pakistan.

For our younger students, the first middle school after-school community program started during the year with four partnerships each week at PACE and the Adventure Playhub. In the lower school, our grandfriend program expanded

## Trustees' Report

significantly in the year, and we have established two new partner organizations that will be joining the program in 2023-24. Kindergarten children supported our school-wide coat drive, engaged in food drives for Granville Community Kitchen, and made cards for isolated elders through the Cards of Care project.

The SHINE Saturday program continues to thrive, offering 31 middle school students from seven local secondary schools the opportunity to participate in a 17-week Saturday enrichment program at ASL, engaging in activities such as photography, drama, dance, and robotics, and each developing and delivering their changemaker project, culminating in a presentation to their parents/guardians and teachers in our School Center. The program is supported by ASL employees and four high school volunteers.

### **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 £3,584K of donations from the connected charity (2022 - £1,137K).

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 facilities when not in use by the School. The Subsidiary's achievements are covered in the relevant sections of this report.

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

### **RISK MANAGEMENT AND PRINCIPAL RISKS AND UNCERTAINTIES**

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

The group identified 3 general areas of potential risk as 1) A decrease in enrolment; 2) A major catastrophe including terrorism; 3) Complicated and long lasting litigation. With respect to all the key risks identified, the Head of School and the Senior Leadership Team have been requested to identify mitigations and initiate actions to monitor and manage those risk and report periodically to the relevant Board committees.

## Trustees' Report

### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Consolidated Statement of Financial Activities on page 27 shows how the School's incoming resources have been generated and how they have been expended during the year together with the results of the subsidiary company and the closing balances on each of the reserves. The net result for the year was a deficit of -£1.7M (2022, deficit of -£4.9M).

Total income increased from £44.6M to £50.4M during the year. Of the net £5.8M gain, there was increased tuition and education fee income of £3.0M, an increase of donation of £2.0 M, bank and investment income of £0.6M, non-ancillary trading £0.2M.

Total resources expended were £52.0M, which was an increase of £3.8M on the £48.2M of the previous year. The School's general operating costs increased by £3.6M and increased by a further £0.1M in costs associated with non-ancillary trading and fundraising respectively. In addition, the School recorded a net investment loss for the year of -£0.2M (2022 – loss of -£1.3M).

The total unrestricted reserves decreased by £2.8M, the restricted reserves decreased by £0.3M and the endowments increased by £1.33M. As shown in note 12, there are sufficient net assets to meet the obligations of the Restricted Reserves. Net cash outflow from operations for the year was -£3.8M (2022 - inflow of £2.1M) as shown in the Cash Flow Statement on page 29 with the cash and cash equivalent balances at the level of £18.3M compared to £22.1M last year. The balance on the Current Asset Investments increased by £1.1M during the year with a balance of £17.8M at the year end.

The Subsidiary company income was £398K (2022 - £258K) in the period and the expenses £236K (2022 - £192K) resulting in profit of £142K (2022 - £66K). The financial statements and this Report comply with statutory requirements and the Statement of Recommended Practice: ("Charities SORP (FRS 102)").

### RESERVES LEVEL AND POLICY

The School's total reserves of £62.5M comprise £23.0M related to permanent endowment, £3.7M of expendable endowment and £35.8M of Unrestricted Reserves.

The Unrestricted Reserves of £35.8M are represented by £54.6M of the net book value of fixed assets less the associated funding by a long term loan of £27.0M leaving free reserves of £8.2M.

However, in accordance with the School's Reserves Policy, the Unrestricted Reserves are reviewed and may then be designated for specific purposes as set out in Note 13a). Specific reserves provide funds for future expenditure or potential contingencies identified through the Risk Review are called Designated Reserves and the major reserves are identified in the School's Reserves Policy. These Designated Reserves totalled £10.3M at the end of the year. The target range is between £8M to £12M.

The Reserves Policy recognises the need to establish an unrestricted operating reserve to cover the financial risk to the School from any short-term decline in enrolment income due to general economic factors beyond the School's control. This Designated Reserve is called the Enrolment Reserve. Enrolment levels have fluctuated significantly over the history of the School and the target level of the reserve is reviewed annually and historically has been set at between 8% and 16% of tuition income. The Board considers the reserve of £5.35M to be adequate at a level of 13% of tuition income.

## Trustees' Report

The Trustees are committed to assuring the School's long-term physical viability and financial health and so have established a long-term Designated Facilities reserve. This provides funds either to pay down debt incurred to fund capital project or to fund new facility projects. Of the reserves at the end of the year, £2.3M is set aside for the repayment of the outstanding loan in 2029.

The School also has a Designated Plant Reserve to ensure that it has funds available to cover the costs, which fluctuate annually, of the long-term maintenance plan to help assure the quality of its buildings and facilities. The value of this reserve has decreased this year to account for works originally deferred from the previous summer. Those works were deferred due to the uncertainties over the imposition of lockdown and social distancing in the periods for contracting and performing the works.

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

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

The School retains a New Initiative reserve to allow the Head of School to take advantage of an opportunity and respond to local changes. With the difficult year for the School, approximately a third of the funds were expended in the year, £70K, and the remainder is expected to be spent during this following year.

The Board recognised that the School faced uncertain times and has set up the Applied Returns reserve to meet any risks arising from market, economic and political volatility.

## Trustees' Report

### INVESTMENT POLICY AND OBJECTIVES

The permanent endowment has an investment objective to generate an annual return in pounds of inflation (RPI) plus 4% after expenses over the long term. Partners Capital were the investment managers for the permanent endowment for the year and funds were transitioned, as scheduled, from the previous investment managers, JP Morgan, over the course of the year. JP Morgan remain as investment managers of some private equity investments. There are no specific restrictions on the company's powers in respect of the endowed investments, which are administered in accordance with the Trustee Act 2000.

The School has also decided to invest £17.8M (2022, £16.6M) from its cash balances into sterling-denominated short-term credit funds managed by BlackRock, Legal & General and Fidelity. The amount invested is sourced from the school's positive working capital cycle. The credit funds predominantly invest in investment-grade bonds with maturities shorter than five years. We believe we can earn higher returns than bank deposits typically pay with an acceptable risk profile and mark-to-market volatility. The School also has £2.3M (2022, £1.7M) of its loan repayment reserve with Partners Capital, since the partial loan repayment is not due until November 2029. For the year there was an unrealised loss of -£0.2M (2022- £0.8M). The mark-to-market loss was primarily attributable to rising interest rates and secondarily attributable to widening credit spreads.

A total of £0.3M bank and interest income was generated for the year from unrestricted funds.

### INVESTMENT PERFORMANCE OF PERMANENT ENDOWMENT

During the year, £1.049M of cumulative investment gains from the strong performance of the prior year were realized and transferred to operations and a further £0.6M of such gains were invested in the loan payment reserve with Partners Capital as described above. During the year there were negative returns of -£0.1M.

### TOTAL RETURN ACCOUNTING

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

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

Compliance with the strategies set out above and actual investment performance is reviewed by the Investment Committee at least three times a year against the relevant benchmarking index. During the past year, the Investment Committee met four times.

## Trustees' Report

### FUNDRAISING PERFORMANCE

The tradition of philanthropy and volunteerism is an established and important aspect of life at ASL. The volunteer-run Annual Fund solicited parents of current students, our faculty and staff, alumni and parents of alumni who generously donated £1.5M of unrestricted giving this year. In addition, the School received a further £2.5M in restricted gifts for endowments and other specific purposes. Fundraising is undertaken by affiliated organisations of, primarily, volunteer groups of parents and alumni, supported by members of the Advancement team.

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

### VOLUNTEERS

Our School community is continually enriched by the volunteer activities of many groups and individuals. The gifts of time and energy by the hundreds of parents, alumni, past parents, faculty, staff and students are significant (though we cannot calculate their monetary value). The Board is grateful to those who are dedicated to serving the School and helping to enhance its special qualities. The Board is especially thankful to all the many volunteers of the Parent Community Association (PCA) for the extensive community building events including the biennial auction. The Board also thanks the PCA and the American School in London Foundations in the US and in the UK for their fundraising and generous grants to the School.

### GREENHOUSE GAS EMISSIONS

The School's greenhouse gas emissions for the 2022-23 financial year were equivalent to 1,001 tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e) based on a verified usage of 5,314,545 kilo-Watt-hours (kWh) of energy.

If accounting for zero carbon electricity, which has been procured through a REGO backed contract, the total emissions were 645 tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e). The School has undertaken 5 energy efficiency actions (EEA) in this reporting year.

This report has been compiled by JRP Solutions Limited in line with the "Environmental Reporting Guidelines" (SECR) (March 2019). All sites and companies in the UK have been included in the reporting even if they do not qualify in their own right. Only environmental impacts from greenhouse gasses (GHG) are included in this report. Environmental impacts from water, resource efficiency, ecosystem interaction and non GHG emission are considered separately and are outside the scope of this report. The report has been limited to scope 1 and scope 2 emissions with scope 3 emissions for grey fleet travel as required by SECR reporting. The data and information included in this report has been compiled and verified by independent consultants.

#### Greenhouse Gas Emissions

Table 1 below shows the GHG emissions for the School in tonnes of carbon dioxide equivalent for the base year of 19/20, last year and the current reporting year. Total emissions for 22/23= are 1,001 tonnes of carbon dioxide equivalent. The general definitions of the GHG Scopes are detailed below:

## Trustees' Report

### Greenhouse Gas Emissions

Table 1 below shows the GHG emissions for the School in tonnes of carbon dioxide equivalent for the base year of 19/20, last year and the current reporting year. Total emissions for 21/22 are 986 tonnes of carbon dioxide equivalent.

The general definitions of the GHG Scopes are detailed below:

Scope 1 – All Direct Emissions from the activities of an organisation or under their control. Including combustion of fuel on site such as gas boilers, purchased fuel for vehicles and air-conditioning leaks.

Scope 2 – Indirect Emissions from electricity purchased and used by the organisation.

Scope 3 – All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. Only Grey Fleet/employee car mileage claims need including for SECR.

	Emission Source	Units	Baseline	Last Year	Report Year
			19/20	21/22	22/23
Scope 1	Gaseous Fuel	Emissions (tCO <sub>2</sub> e)	455.6	610.8	566.3
	Passenger Vehicles	Emissions (tCO <sub>2</sub> e)	0.5	0.8	0.7
	<b>Sub Total</b>	<b>Emissions (tCO<sub>2</sub>e)</b>	<b>456.1</b>	<b>611.6</b>	<b>567.1</b>
Scope 2	Grid Electricity	Emissions (tCO <sub>2</sub> e)	461.1	366.5	427.2
	<b>Sub Total</b>	<b>Emissions (tCO<sub>2</sub>e)</b>	<b>461.1</b>	<b>366.5</b>	<b>427.2</b>
Scope 3	Grey Fleet	Emissions (tCO <sub>2</sub> e)	0.0	0.0	0.0
	Water supply	Emissions (tCO <sub>2</sub> e)	6.2	2.7	2.4
	Water treatment	Emissions (tCO <sub>2</sub> e)	12.7	4.9	4.4
	<b>Sub Total</b>	<b>Emissions (tCO<sub>2</sub>e)</b>	<b>18.9</b>	<b>7.6</b>	<b>6.8</b>
<b>TOTAL EMISSIONS</b>		<b>Emissions (tCO<sub>2</sub>e)</b>	<b>936.1</b>	<b>985.7</b>	<b>1,001.1</b>
<b>Variance to baseline</b>		<b>%</b>		<b>5.3%</b>	<b>6.9%</b>
Carbon Offsets & Green Tariffs Purchased		Emissions (tCO <sub>2</sub> e)	0.0	413.1.4	356.3
<b>TOTAL EMISSIONS WITH OFFSETTING</b>		<b>Emissions (tCO<sub>2</sub>e)</b>	<b>936.1</b>	<b>572.5</b>	<b>644.8</b>
<b>Variance to baseline</b>		<b>%</b>		<b>-38.6%</b>	<b>-31.1%</b>

Absolute Emissions Performance

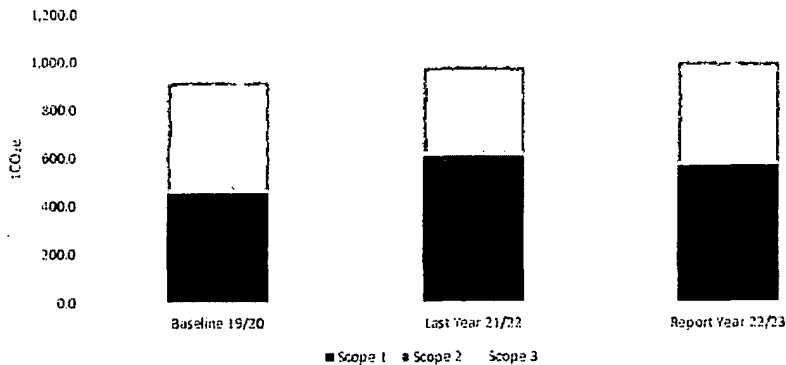
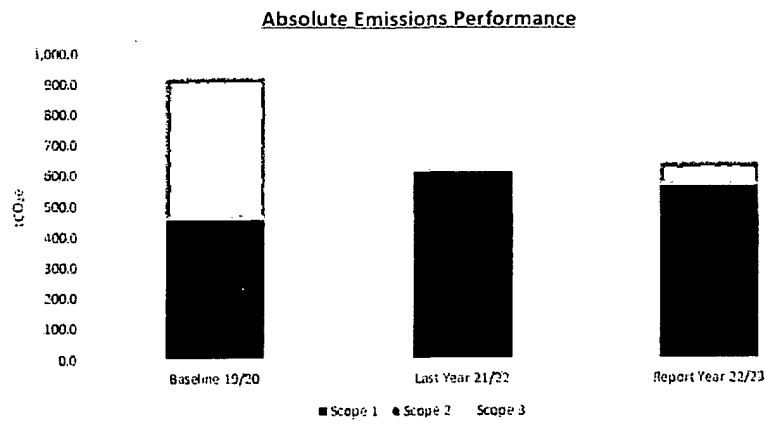


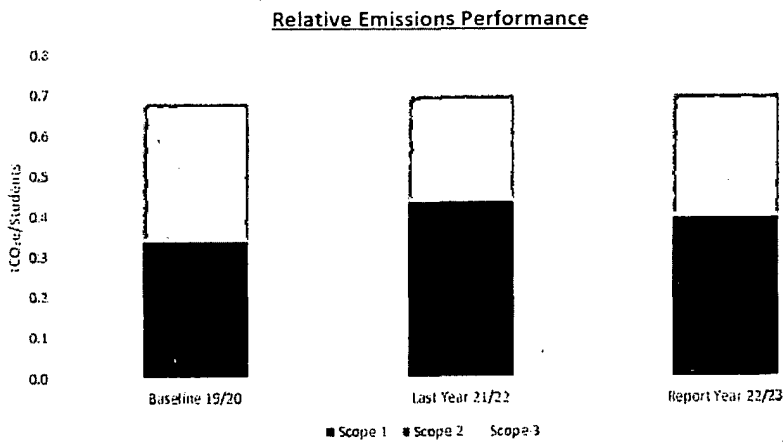
Figure 1: Emissions Performance

# Trustees' Report

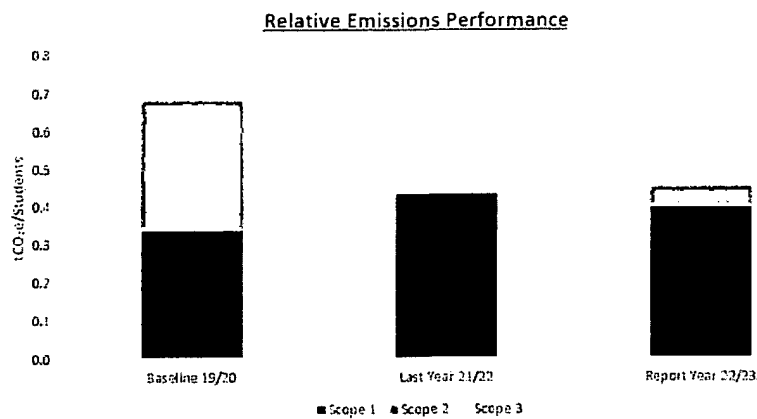


**Figure 2: Emissions Performance Including Zero Carbon Electricity**

The relative emissions performance shown below is in tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e) per student



**Figure 3: Emissions Performance**



**Figure 4: Emissions Performance Including Zero Carbon Electricity**

# Trustees' Report

## Underlying Energy Use

Table 2 below shows the energy use for the School in kilowatt hours (kWh) for the base year of 19/20, last year and the current reporting year. Total energy used for 22/223 was 5,314,545 kWh.

	Emission Source	Units	Baseline	Last Year	Report Year
			19/20	21/22	22/23
Scope 1	Gaseous Fuel	Energy (kWh)	2,478,379	3,334,733	3,102,539
	Passenger Vehicles	Energy (kWh)	1,961	3,014	2,920
	<b>Sub Total</b>	<b>Energy (kWh)</b>	<b>2,480,340</b>	<b>3,337,748</b>	<b>3,105,459</b>
Scope 2	Grid Electricity	Energy (kWh)	1,803,963	1,726,011	2,209,086
	<b>Sub Total</b>	<b>Energy (kWh)</b>	<b>1,803,963</b>	<b>1,726,011</b>	<b>2,209,086</b>
Scope 3	Grey Fleet	Energy (kWh)	0	0	0
	<b>Sub Total</b>	<b>Energy (kWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ENERGY</b>		<b>Energy (kWh)</b>	<b>4,284,303</b>	<b>5,063,758</b>	<b>5,314,545</b>
<b>Variance to baseline</b>		<b>%</b>		<b>18.2%</b>	<b>24.0%</b>

Table 2: Underlying Energy Use

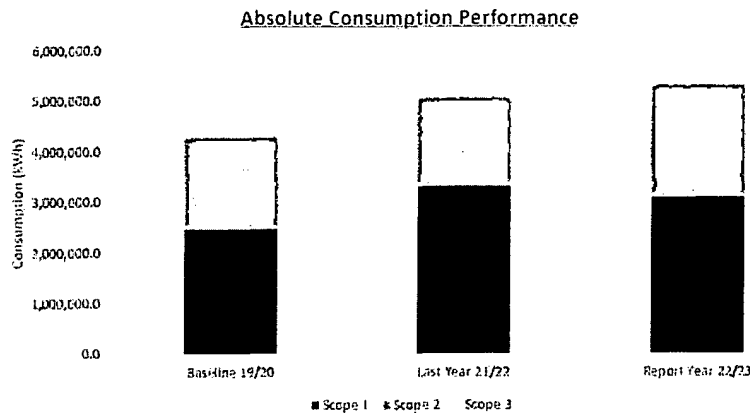
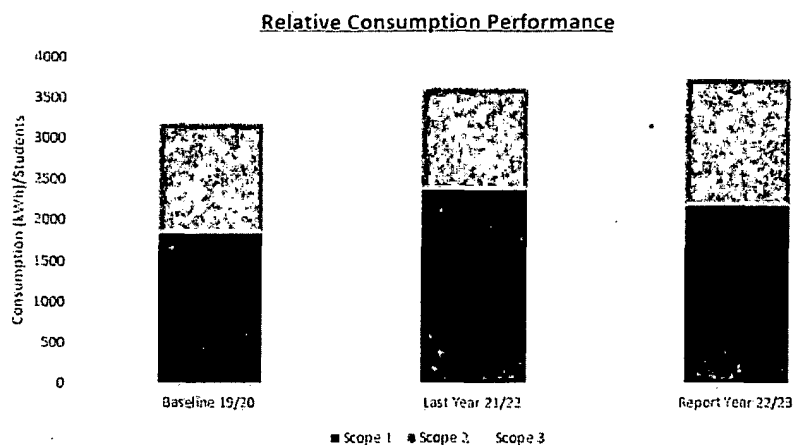


Figure 5: Consumption Performance

The relative consumption performance shown below is in kilo-Watt-hours (kWh) per student.

# Trustees' Report



**Figure 6: Consumption Performance**

## Intensity Ratios

The tables below show the intensity ratios for the organisation.

Type	Units	Baseline	Last Year	Report Year
		19/20	21/22	22/23
Occupancy	kWh/Students	3,173.6	3,601.5	3,732.1

**Table 3: Operation Consumption Intensity Ratios**

Type	Units	Baseline	Last Year	Report Year
		19/20	21/22	22/23
Occupancy	tCO <sub>2</sub> e/Students	0.693	0.701	0.703

**Table 4: Operation Emissions Intensity Ratios (without zero carbon electricity)**

Type	Units	Baseline	Last Year	Report Year
		19/20	21/22	22/23
Occupancy	tCO <sub>2</sub> e/Students	0.693	0.407	0.453

**Table 5: Operation Emissions Intensity Ratios (with zero carbon electricity)**

## Trustees' Report

### Energy Efficiency Actions Taken

During the reporting year 22/23 the following energy efficiency actions were taken:

Category	Title	Description
HVAC	2-pipe to 4-pipe system upgrade and Fan Coil Unit replacement	Yellow tower, 3 floors consisting of 18 teaching spaces
Other	8 bathroom renovations	20-year-old bathrooms upgraded with eco flush systems, lower energy hand driers and automated soap dispensers.
Other	Pool cover installation	Pool cover installation
BMS & Controls	Metering upgrade	Increase utility metering and monitoring to supply data to a Dashboard
Other	Replacement of roof plant equipment	Design and plan the replacement of roof plant equipment and enclosures, to include green roofs, solar panels and efficient air handling units.

**Table 6: Energy Efficiency**

### **PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS**

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

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

The long-term sustainability of the operating model is considered by the Trustees as set out in the Going Concern section of the Trustees' Report. Specifically, the Trustees consider both operating results and financial projections and the key risks that could negatively impact the sustainability of the School. The Admin/Finance Committee and the Board review management information, budgets, forecasts, cash flow projections and progress against budget on a regular basis. Risk management (page 10-11) and the level of reserves (pages 11-12) are also discussed further in the report.

**b. The interests of the company's employees**

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

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

In relation to key stakeholder engagement, the Trustees work closely with the families of the students in ASL. The Trustees communicate with families regularly via email and provide an annual report to the community which i) recognises the time and resources our community of volunteers dedicate to the School and ii) describes the impact of such generosity. The Board works closely with the Parent Community Association (PCA) whose members provide most

## Trustees' Report

of the volunteer effort for the School. Last year the School hosted a meeting open to all families at which the Chair of the Board and other Trustees presented on the School's governance structures and how tuition level decisions are made.

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

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

The Trustees have commissioned an independent review of energy use. This report has provided a review of greenhouse gas emissions in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The Trustees are proud of the community service activities of the students which are described in more detail in the relevant section of the Trustees' Report (Pages 9-10).

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

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

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

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

## **FUTURE PLANS**

The Trustees have approved the following specific goals for the School year 2023-24:

### **Responsibilities**

- Support and evaluate the Head of School.
- Ensure ASL's adherence to its Mission Statement including monitoring student well-being, educational experience and outcomes.
- Ensure governance and management oversee ASL's ongoing compliance with all relevant regulatory bodies and accrediting organizations, including the Department for Education/Ofsted and the Middle States Association (MSA).
- Support the implementation of short, medium and long-term strategic initiatives and the development of periodic strategic plans.
- Ensure financial well-being and prudent institutional management, and manage financial, legal, media and other risks to the School consistent with Board governance policies and applicable UK and US regulations and codes, including but not limited to the Independent School Standards (ISS) and the Charity Commission for England and Wales.
- 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.
- Promote exceptional Board governance and leadership by ensuring that Board composition is diverse and delivers the expertise and resources needed to effectively serve the School.

## Trustees' Report

### 2023-24 Priorities

- Support the new Head of School and ensure his successful transition, for example, by
  - Supporting Mr Horvat's understanding of school and community
  - Working to build trusting relationships with the Head of School, including via 1-to-1 trustee meetings
  - Ensuring regular, proactive and open communication between the Head and the Board.
- Ensure regular, proactive communication from the Board to inform the community of leadership goals, progress towards goals, and school matters.
- Conduct a succession planning process to appoint a new Chair of the Board in the Spring of 2024.
- Ensure ASL's ongoing adherence to and oversight of the ISS and carry out an audit to review its effectiveness.
- Support the Head and the Board sub-committee focus on the financial well-being of the school in particular strategic decision on budget and fundraising.
- Lay groundwork for embarking on strategic planning (identifying areas of focus) in academic year 2024-2025.

### 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: 29 November 2023

**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 ('the charitable company') for the year ended 30 June 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

## **Independent auditor's report to the Members and Trustees**

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, 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 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.

## **Independent auditor's report to the Members and Trustees**

### **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 the applicable financial reporting framework will detect all material misstatements. Material misstatements are errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

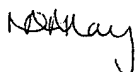
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Admin & Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

## Independent auditor's report to the Members and Trustees

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

### Use of our report

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



**Nicola May**

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

**Date** 8 December 2023

Consolidated Statement of financial activities  
For the year ended 30 June 2023

	Notes	Total	Restricted		2023	2022
		Unrestricted	Other	Endowment	Total	Total
		£,000	£,000	£,000	£,000	£,000
<b>Income from</b>						
<b>Charitable activities:</b>						
Fees receivable	2a	42,444	-	-	42,444	40,296
Other educational income	2b	2,183	-	-	2,183	1,278
<b>Other trading activities</b>	2c					
Non-ancillary trading		398	-	-	398	258
<b>Other income</b>	2d					
Government grants		-	-	-	-	12
<b>Investments</b>						
Bank and investment income		335	-	1,049	1,384	765
<b>Donations and legacies</b>						
Donations		1,490	141	2,389	4,020	1,979
		<u>46,850</u>	<u>141</u>	<u>3,438</u>	<u>50,429</u>	<u>44,588</u>
<b>Expenditure on</b>						
<b>Raising funds:</b>						
Non-ancillary		(398)			(398)	(258)
Fundraising costs		(717)			(717)	(666)
Financing costs		(686)			(686)	(686)
		<u>(1,801)</u>	<u>-</u>	<u>-</u>	<u>(1,801)</u>	<u>(1,610)</u>
<b>Charitable activities:</b>						
School operating costs		(49,410)	(156)	(599)	(50,165)	(46,571)
Total resources expended	3	<u>(51,211)</u>	<u>(156)</u>	<u>(599)</u>	<u>(51,966)</u>	<u>(48,181)</u>
Net investment gain/ (loss)		186		(134)	52	(588)
Net Short Term Investment loss		(236)			(236)	(761)
<b>Net income/(expenditure) before transfers</b>		(4,411)	(15)	2,705	(1,721)	(4,942)
Transfers between reserves	7	1,614	(243)	(1,371)	-	-
<b>Net movement in reserves in the year</b>		<u>(2,797)</u>	<u>(258)</u>	<u>1,334</u>	<u>(1,721)</u>	<u>(4,942)</u>
<b>Balances brought forward at 1 July</b>		<u>38,591</u>	<u>290</u>	<u>25,393</u>	<u>64,274</u>	<u>69,216</u>
<b>Balances carried forward at 30 June</b>		<u>35,794</u>	<u>32</u>	<u>26,727</u>	<u>62,553</u>	<u>64,274</u>

All of the above are represented by continuing operations.

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

Consolidated Group and Company Balance Sheet  
For the year ended 30 June 2023

	Notes	Group 2023 £,000	Group 2022 £,000	Company 2023 £,000	Company 2022 £,000
<b>Fixed assets</b>					
Tangible assets	8	54,612	54,292	54,612	54,292
Investments	9	27,570	27,033	27,570	27,033
		<u>82,182</u>	<u>81,325</u>	<u>82,182</u>	<u>81,325</u>
<b>Current assets</b>					
Stock		18	21	18	21
Debtors	10	2,390	1,317	2,371	1,317
Current asset investments		17,752	16,563	17,752	16,563
Cash at bank and in hand		18,286	22,133	18,139	22,061
		<u>38,446</u>	<u>40,034</u>	<u>38,280</u>	<u>39,962</u>
<b>Creditors: Amounts falling due within 1 year</b>	11a	<u>(31,075)</u>	<u>(30,085)</u>	<u>(30,909)</u>	<u>(30,013)</u>
<b>Net current assets</b>		<u>7,371</u>	<u>9,949</u>	<u>7,371</u>	<u>9,949</u>
<b>Total assets less current liabilities</b>		<u>89,553</u>	<u>91,274</u>	<u>89,553</u>	<u>91,274</u>
<b>Creditors: Amounts falling due after 1 more than 1 year</b>	11b	<u>(27,000)</u>	<u>(27,000)</u>	<u>(27,000)</u>	<u>(27,000)</u>
<b>Total net assets</b>		<u>62,553</u>	<u>64,274</u>	<u>62,553</u>	<u>64,274</u>
Financed by:					
<b>Accumulated reserves</b>					
Unrestricted reserves:					
General		25,481	25,192	25,481	25,192
Designated	13a	10,313	13,399	10,313	13,399
Total unrestricted reserves		<u>35,794</u>	<u>38,591</u>	<u>35,794</u>	<u>38,591</u>
Restricted	13b	32	290	32	290
Endowments	13f	26,727	25,393	26,727	25,393
		<u>62,553</u>	<u>64,274</u>	<u>62,553</u>	<u>64,274</u>

The net result for the financial year dealt with by the financial statements of the parent charity was a Loss of £1,721K (2022: Loss: £4,872K).

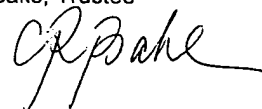
The financial statements on pages 26 to 48 were approved by the Board and authorised for issue on 29 November 2023.

**Signed on behalf of the Board**

Erin Roth, Trustee



Cynthia Bake, Trustee



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

**Consolidated cash flow statement**  
For the year ended 30 June 2023

	Notes	2023		2022	
		£,000	£,000	£,000	£,000
<b>Net cash inflow from operations</b>					
Net cash provided by operating activities	i		<u>(3,751)</u>		<u>2,103</u>
<b>Cash flows from investing activities</b>					
Payments for tangible fixed assets		(2,709)		(2,153)	
Payments to acquire investments		(600)		(16,675)	
New money waiting investment		(161)		(116)	
Investment Income (Dividends and interests)		-		-	
Disposals of investments				700	
Bank interest and investment income receivable		1,384		765	
<b>Net cash provided (used in) investing activities</b>			<u>(2,086)</u>		<u>(17,479)</u>
<b>Cash flow from financing activities</b>					
New endowment		2,676		405	
Bank interest payable		(686)		(686)	
<b>Net cash provided by financing activities</b>			<u>1,990</u>		<u>(281)</u>
Change in cash and cash equivalent in the reporting period			<u>(3,847)</u>		<u>(15,657)</u>
Cash and cash equivalents at the beginning of the period			<u>22,133</u>		<u>37,790</u>
Cash and cash equivalents at the end of the reporting period	ii		<u>18,286</u>		<u>22,133</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

		2023		2022
	£,000	£,000	£,000	£,000
Net income before transfers		(1,718)		(4,942)
Elimination of non-operating cash flows:				
- Investment income	(1,384)		(765)	
- Endowment donations	(2,487)		(825)	
- Finance costs	686		686	
- Unrealised investment loss (gain)	184		1,349	
Depreciation	2,389		2,472	
(Increase)/decrease in debtors	(1,220)		(255)	
Increase/(Decrease) in creditors excluding bank loans	990		4,910	
(Increase)/decrease in current asset investments	(1,189)		(519)	
Increase/(Decrease) in stocks	(2)		(8)	
		<u>(2,033)</u>		<u>7,045</u>
<b>Net cash inflow from operations</b>		<u>(3,751)</u>		<u>2,103</u>

### ii. Analysis of cash and cash equivalents

	2023	Cash flow movement in the year	2022
	£,000	£,000	£,000
Cash at bank	8,653	(9,966)	18,619
Deposits	9,633	6,119	3,514
	<u>18,286</u>	<u>(3,847)</u>	<u>22,133</u>

### iii. Analysis of movement in loans

	2023	New loan	Repayment	2022
	£,000	£,000	£,000	£,000
Bank loan falling due within one year	-	-	-	-
Loans falling due after one year	<u>27,000</u>	-	-	<u>27,000</u>
<b>Total loans</b>	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>27,000</u>

## Notes to the financial statements (continued)

### 1 Summary of accounting policies

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

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

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

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

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

#### **Critical accounting judgements and key sources of estimate and uncertainty**

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

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

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

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

#### a) Financial instruments

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

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 GBP at the balance sheet date at an appropriate year-end exchange rate.

## Notes to the financial statements (continued)

### b) *Tangible fixed assets*

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

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

No depreciation is charged on freehold land.

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

### c) *Stock*

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

### d) *Taxation*

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

### e) *Pension costs*

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

### f) *Accounting for foreign currency transactions*

Certain transactions take place in foreign currency and are translated into pounds at the rates of exchange at the date of the transaction. All foreign currency balances at the year-end are translated into pounds 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 pooled funds 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.

### i) *Donations*

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

## Notes to the financial statements (continued)

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

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

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

### j) *Total Return accounting*

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

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

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

Depreciation is included as part of premises costs.

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

### l) *Going Concern*

The School's long-term financial viability is supported by a strong cash flow, significant cash balances, detailed financial projections, a sufficient level of reserves and endowment and a tradition of fundraising and a good relationship with our community and key donors. The Board has reviewed its liquidity, its solvency, its loan covenants, enrolment for the 2023-24 year, volatility and level of reserves. The School has, therefore, a reasonable expectation that it has sufficient resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of the signing of this report. The Trustees believe that there are no material uncertainties that call into doubt the ability of the School to continue as a going concern.

## Notes to the financial statements (continued)

<b>2a Fees receivable</b>	2023	2022
	£,000	£,000
Gross tuition fees	46,582	44,386
Less: Financial Aid	(5,723)	(5,325)
Less: Community Support Fund	-	(260)
Net tuition fees	<u>40,859</u>	<u>38,801</u>
Other fees:		
Gross Transportation	1,172	1,096
Less: Financial Aid	(215)	(199)
Net Transportation	957	897
Applications and retentions	628	598
	<u>42,444</u>	<u>40,296</u>
<b>2b Other educational income</b>	2023	2022
	£,000	£,000
Gross Trips	805	170
Less: Financial Aid	(72)	(24)
Net Trips	<u>733</u>	<u>146</u>
Summer and After-School programs and other income	1,577	1,256
Less: Financial Aid	(127)	(124)
Net Non-Trips	1,450	1,132
	<u>2,183</u>	<u>1,278</u>
<b>2c Non-ancillary income</b>	2023	2022
	£,000	£,000
Trading income from membership fees and swimming lessons	<u>398</u>	<u>258</u>
<b>2d Government grant</b>	2023	2022
	£,000	£,000
Grants relate to the furlough of staff not working from the period July 2022 to June 2023	-	12

## Notes to the financial statements (continued)

### 3 Analysis of total resources expended

	Staff costs	Other	Depreciation	2023 Total	2022 Total
	£,000	£,000	£,000	£,000	£,000
<b>Charitable Activities</b>					
Teaching costs	26,117	3,659	-	29,776	29,583
Welfare	2,045	1,292	-	3,337	3,225
Premises	1,496	2,979	2,389	6,864	5,444
Transport	169	985	-	1,154	1,135
Support costs	5,878	3,010	-	8,888	6,760
Governance costs	104	42	-	146	164
Community Support Fund	-	-	-	-	260
	<u>35,809</u>	<u>11,967</u>	<u>2,389</u>	<u>50,165</u>	<u>46,571</u>
<b>School operating costs</b>					
<b>Costs of raising funds</b>					
Fundraising costs	586	131	-	717	666
Financing costs	-	686	-	686	686
Non-ancillary	160	238	-	398	258
	<u>36,555</u>	<u>13,022</u>	<u>2,389</u>	<u>51,966</u>	<u>48,181</u>

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

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

	2023 £,000	2022 £,000
Depreciation of tangible fixed assets	2,389	2,472
Auditors' remuneration	-	-
- audit services	38	33
- non-audit services	26	9
Financing costs	686	686
Staff costs – see note 5	<u>36,555</u>	<u>35,076</u>

## Notes to the financial statements (continued)

### 5 Employee Costs

Some members of the teaching and administrative employees are also 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 the employee costs and to act as agent of the Foundation in respect of certain aspects of its employer obligations.

Total employee costs during the year amounted to:

	2023	2022
	£,000	£,000
Wages and salaries	30,530	29,436
Social security costs and NI contributions	3,329	3,099
Other pension costs	2,696	2,541
	<u>36,555</u>	<u>35,076</u>

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

	2023	2022	2023	2022
	Average	Average	FTE Number	FTE Number
Teachers and Teachers' Support	274	258	257	242
Administration	<u>106</u>	<u>110</u>	<u>102</u>	<u>108</u>
Total	<u>380</u>	<u>368</u>	<u>359</u>	<u>350</u>

There was 1 teacher on sabbatical leave during 2023 (2022 – 0). During the year, there was 1 redundancy or termination payments (£119K) of which NIL was owing at the year-end (2022 – £507K). The above numbers include 21 employees (2022 – 20) 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 deferred compensation, pensions and pension contributions) exceeded £60,000 were:

	2023	2022
	Number	Number
£60,001 - £70,000	27	29
£70,001 - £80,000	24	50
£80,001 - £90,000	39	46
£90,001 - £100,000	60	36
£100,001 - £110,000	29	9
£110,001 - £120,000	18	2
£120,001 - £130,000	7	4
£130,001 - £140,000	0	2
£140,001 - £150,000	2	0
£150,001 - £160,000	1	0
£160,001 - £170,000	1	2
£170,001 - £180,000	1	1
£180,001 - £190,000	1	2
£190,001 - £200,000	2	1
£200,001 - £210,000	1	0
£210,001 - £220,000	1	0
£230,000 - £240,000	0	1
£430,001 - £440,000	1	-
£940,000 - £950,000	0	1
	<u>215</u>	<u>186</u>

The total employers' pension contributions to the School's and Foundation's defined contribution schemes amounted to £2,035 (2022 £1,639K) in respect of the employees above.

	2023	2022
	£,000	£,000
Aggregate employee benefits of key management personnel (the SLT including the Head of School remained at 14 members as last year)	<u>2,709</u>	<u>3,131</u>

## Notes to the financial statements (continued)

### 6 Transactions with Trustees

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

The Head of School and the Interim Head of School's remuneration including pension contributions and benefits-in-kind were as follows:

	2023	2022
	£,000	£,000
Salary	436	396
Deferred compensation	-	507
Other remuneration including utilities and accounting	9	55
Pension contributions	<u>44</u>	<u>40</u>
Total	489	998

### 7 Transfers between reserves

The transfers from Designated Reserves to the General Reserves totalled £3,670K of which £2,282K came from the Applied returns Investment and £1,388K from the Plant Reserve. The transfers from restricted to unrestricted reserves totalled £243K (note 13b). In addition, £771K was allocated to income from Endowment with £449K from Permanent Endowment (note 13d) and £322K from Expendable Endowment (note 13e). An additional £600K was transferred from the Returns from the Permanent Endowment to the Designated Reserves (13d).

Notes to the financial statements (continued)

8 Tangible fixed assets - Group and Company

	Freehold	Building Extension and Refurbishment	Long Leasehold	Furniture and Equipment	Motor Vehicles	Total
	£,000	£,000	£,000	£,000	£,000	£,000
<b>Cost</b>						
At 1 July 2022	15,483	69,227	2,430	8,963	23	96,126
Additions	-	-	-	2,709	-	2,709
Disposal						
At 30 June 2023	<u>15,483</u>	<u>69,227</u>	<u>2,430</u>	<u>11,672</u>	<u>23</u>	<u>98,835</u>
<b>Depreciation</b>						
At 1 July 2022	809	33,547	545	6,910	23	41,834
Disposal	-	-	-	-	-	-
Charge	<u>61</u>	<u>1,312</u>	<u>39</u>	<u>977</u>	<u>-</u>	<u>2,389</u>
At 30 June 2023	<u>870</u>	<u>34,859</u>	<u>584</u>	<u>7,887</u>	<u>23</u>	<u>44,223</u>
<b>Net book value</b>						
At 1 July 2022	<u>14,674</u>	<u>35,680</u>	<u>1,885</u>	<u>2,053</u>	<u>-</u>	<u>54,292</u>
At 30 June 2023	<u>14,613</u>	<u>34,368</u>	<u>1,846</u>	<u>3,785</u>	<u>--</u>	<u>54,612</u>

At 30 June 2023, the Company has no capital commitments authorised and contracted for but outstanding, in respect of land and buildings refurbishment (2022 was also NIL).

## Notes to the financial statements (continued)

### 9 Investments – Group and Company

	2023		2022	
	Group & Company		Group & Company	
	£,000	£,000	£,000	£,000
Market value of investments brought forward		27,033		25,883
Disposal of cash brought forward		(116)		(90)
Purchases in the year		600		1,675
New money waiting investments		-		116
Investment income reinvested		-		39
Disposals in year	(1,049)		(700)	
Gross investment gain in the year	1,170		226	
Management fee	<u>(69)</u>		<u>(114)</u>	
Net investment gain (loss) in year		52		(588)
<b>Market value carried forward</b>		<u>27,570</u>		<u>27,033</u>
Cost of investments carried forward		<u>23,165</u>		<u>22,520</u>

The total unrealised gain included above was £4,405K at 30 June 2023 (2022 – £4,513K).

Investments comprise:	Group &	Group &
	Company	Company
	2023	2022
	£,000	£,000
<b>Listed investments</b>		
Fixed interest	-	-
Multi-asset class	11,273	6,993
Equities	11,455	11,156
<b>Alternative investments</b>	4,140	8,733
<b>Cash</b>	702	151
Forex	-	-
Group investments	<u>27,570</u>	<u>27,033</u>
Investment in subsidiaries	-	-
<b>Company investments</b>	<u>27,570</u>	<u>27,033</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 Partners Capital with some residual investments remaining with JP Morgan Private Bank.

## Notes to the financial statements (continued)

### 10 Debtors

Amounts falling due within one year:	Group 2023 £,000	Group 2022 £,000	Company 2022 £,000	Company 2022 £,000
Other debtors	1,738	794	1,718	794
Prepayments and accrued income	<u>652</u>	<u>523</u>	<u>652</u>	<u>523</u>
	<b><u>2,390</u></b>	<b><u>1,317</u></b>	<b><u>2,370</u></b>	<b><u>1,317</u></b>

### 11 Creditors

a) Amounts falling due within one year:	Group 2023 £,000	Group 2022 £,000	Company 2023 £,000	Company 2022 £,000
Fees received in advance (note 1h)	23,959	22,766	23,959	22,766
PAYE and social security creditors	2,230	1,991	2,230	1,991
Other creditors and accruals	<u>4,886</u>	<u>5,328</u>	<u>4,720</u>	<u>5,257</u>
	<b><u>31,075</u></b>	<b><u>30,085</u></b>	<b><u>30,909</u></b>	<b><u>30,014</u></b>

b) Amounts due after one year – Group and Company	30 June 2023 £,000	Increase in loan £,000	30 June 2022 £,000
Loan falling due after one year	<u>27,000</u>	<u>-</u>	<u>27,000</u>

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

### 12 Allocation of Group Net Assets

The net assets as at 30 June 2023 are held for the various funds as follows:

	Net Current Assets £,000	Loans due after more than 1 year £,000	Investments £,000	Tangible Fixed Assets £,000	Total £,000
Permanent endowment	160	-	22,818	-	22,978
Expendable endowment	3,749	-	-	-	3,749
Restricted reserves	32	-	-	-	32
Designated enrolment reserves	5,350	-	-	-	5,350
Designated facilities reserves	101	-	2,186	-	2,287
Designated reserves – other	2,458	-	-	-	2,458
Designated reserves- applied total return	(66)	-	284	-	218
General reserves	<u>(4,413)</u>	<u>(27,000)</u>	<u>2,282</u>	<u>54,612</u>	<u>25,481</u>
Total reserves	<b><u>7,371</u></b>	<b><u>(27,000)</u></b>	<b><u>27,570</u></b>	<b><u>54,612</u></b>	<b><u>62,553</u></b>

The investment policy with respect to endowment reserves is summarised on page 13.

The notes on pages 11 to 12 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 2022	New funds designated	Resources expended	Transfer to general reserve	Balance 30 June 2023
	£,000	£,000	£,000	£,000	£,000
Enrolment reserve	5,350	-	-	-	5,350
Facilities reserve	1,687	1,286	(686)	-	2,287
Building & Equipment reserve	973	-	(50)	-	923
Plant reserve	2,286	1,050	(792)	(1,388)	1,156
Prolonged Disability reserve	54	-	(54)	-	-
Staff Cost reserve	347	-	(100)	-	247
New Initiatives reserve	202	-	(70)	-	132
Applied Returns investment	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>(2,282)</u>	<u>218</u>
	<u>13,399</u>	<u>2,336</u>	<u>(1,752)</u>	<u>(3,670)</u>	<u>10,313</u>

#### *Enrolment reserve*

The enrolment reserve represented approximately 13% of tuition income at 30 June 2023. The School undertakes regular reviews of the level of this reserve. While enrolment in the last couple of years has been stable, enrolment is impacted by external economic factors. Historically, enrolment has fluctuated significantly and by up to 100 students from year to year. This reserve will enable the School to maintain its staff and operating cost levels in the short-term (over 2-3 years) if there were a fall in enrolment.

#### *Facilities reserve*

This reserve is held to help fund future facilities developments and for the repayment of the long-term loans in accordance with the School's reserves policy. The amounts transferred to this reserve during the year were the budgeted amount for the capital repayments and the loan interest on the loans before refinancing. The resources expended of £686K were in respect of loan interest. The carry forward balance represents the scheduled accumulation of funds in preparation for the repayment for the first instalment repaying the loan capital.

#### *Building and Equipment reserve*

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

#### *Plant reserve*

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

#### *Staff Cost and Prolonged Disability reserves*

The prolonged disability reserve was established to provide funds for employees who suffer prolonged disability during the period before the School's insurance scheme comes into effect. The reserve has been spent down and in future this will be covered from recurrent expenditure or the Staff Cost Reserve. The Staff Cost reserve was created to provide additional funding for exceptional compensation costs.

#### *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.

#### *Applied Returns Investment*

The Board set up a reserve to enable the School to face any unidentified challenges that may emerge from the difficult economic situation with rising utility prices, resource scarcity and political uncertainty.

## Notes to the financial statements (continued)

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

b) Restricted reserves	Balance 2022	Incoming resources	Resources expended	Transfer between reserves	Balance 2023
	£,000	£,000	£,000	£,000	£,000
<b>Restricted reserves</b>	<u>290</u>	<u>141</u>	<u>(156)</u>	<u>(243)</u>	<u>32</u>
	<u>290</u>	<u>141</u>	<u>(156)</u>	<u>(243)</u>	<u>32</u>

The Restricted Reserves comprise mainly funds received from the American School in London Foundations in the US and the UK. 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.

#### c) Permanent Endowment funds - Statement of total return

<b>Calculation of total return:</b>	2023
	£,000
<b>Investment returns in year</b>	
Investment income	-
Capital gains (loss)	<u>(134)</u>
<b>Total unrealised return for year</b>	(134)
Disinvestment from JPM Investment	<u>(1,049)</u>
<b>Total return for the year</b>	(1,183)
Less: Allocation to income	<u>1,049</u>
Movement in unapplied total return for the year	(134)
<b>Unapplied total return</b>	
30 June 2022	2,223
30 June 2023	<u>2,089</u>
<b>Add:</b>	
Preserved value at 30 June 2001	371
Additions since 30 June 2001	<u>20,519</u>
Total preserved value at 30 June 2023	<u>20,890</u>
<b>Total value of permanent endowment</b>	Note 13d <u>22,978</u>

## Notes to the financial statements (continued)

### d) Permanent Endowment funds

	Balance		Total		Allocation	Allocation	Balance
	30 June	Donations	Return	Disinvestment	to Income	to Reserves	30 June
	2022						2023
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Student Financial Assistance	8,856	44	(52)	402	(172)	(230)	8,848
Facilities Fund	166	-	(1)	8	(3)	(4)	166
Community Enrichment Fund	1,186	-	(7)	54	(23)	(31)	1,179
Faculty and Staff Support	12,306	-	(72)	560	(240)	(319)	12,235
General	555	-	(3)	25	(11)	(16)	550
	<u>23,069</u>	<u>44</u>	<u>(135)</u>	<u>1,049</u>	<u>(449)</u>	<u>(600)</u>	<u>22,978</u>

### e) Expendable endowment funds:

	Balance 30	Transfers		Resources	Allocation	Balance 30
	June 2022	between	Donations	Expended	to Income	June 2023
	£,000	Reserves	£,000	£,000	£,000	£,000
Community Enrichment	372	-	10	(150)	-	232
Program Enrichment (Computer Sciences)	-	-	1,275	(199)	-	1,076
Student Financial Assistance	1,191	-	1,059	(1)	(322)	1,927
Faculty and Staff Support	761	-	2	(249)	-	514
	<u>2,324</u>	<u>-</u>	<u>2,346</u>	<u>(599)</u>	<u>(322)</u>	<u>3,749</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 Staff Support Fund*

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

## Notes to the financial statements (continued)

f) Total Endowment	2023	2022
	£,000	£,000
Permanent	22,978	23,069
Expendable	<u>3,749</u>	<u>2,324</u>
	<u>26,727</u>	<u>25,393</u>

### 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 £2,696K (2022, £2,541K) at 30 June 2023.

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 £398K, and £162K profit before tax in the year ended 30 June 2023 (2022 - £66K profit before tax). At 30 June 2023, the Company had shareholders' funds of £1.

In the period to 30 June 2023, the School charged £215K 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 2023 (2022, nil).

## Notes to the financial statements (continued)

### 16 Financial Instruments

	Fair Value	Amortised cost	Non-financial instruments	2023 Total	2022 Total
	£,000	£,000	£,000	£,000	£,000
<b>Assets</b>					
Tangible assets	-	-	54,612	54,612	54,292
Investments	27,570	-	-	27,570	26,918
Stock	-	18	-	18	20
Debtors	-	1,738	652	2,390	1,317
Cash at bank and in hand	-	18,286	-	18,286	24,573
Short term investments	17,732	-	-	17,732	14,239
<b>Liabilities</b>					
Creditors due within one year	-	(31,075)	-	(31,075)	(30,085)
Creditors due after one year	-	(27,000)	-	(27,000)	(27,000)
	<u>45,302</u>	<u>(38,033)</u>	<u>55,264</u>	<u>62,533</u>	<u>64,274</u>

The income, expenditure and net gains and losses recognized in the Statement of Financial Activities during the year to 30 June 2023 by category are shown below:

	Fair Value	Amortised cost	2023 Total	2022 Total
	£,000	£,000	£,000	£,000
Investment income	-	-	-	39
Foreign exchange gains on evaluation	-	24	24	133
Net Loss on investments	<u>(184)</u>	<u>-</u>	<u>(184)</u>	<u>(1,349)</u>
	<u>(184)</u>	<u>24</u>	<u>(160)</u>	<u>(1,177)</u>

Notes to the financial statements (continued)

17 Comparative fund statements for year ended 30 June 2022

Statement of Financial Activities

	Notes	Total	Restricted		2022
		Unrestricted	Other	Endowment	Total
		£,000	£,000	£,000	£,000
<b>Incoming resources</b>					
<b>Income from charitable activities:</b>					
Fees receivable	2a	40,296	-	-	40,296
Other educational income	2b	1,278	-	-	1,278
Non-ancillary trading	2c	258	-	-	258
Government grants	2d	12	-	-	12
Bank and investment income		26	-	739	765
Donations		<u>1,396</u>	<u>178</u>	<u>405</u>	<u>1,979</u>
		<u>43,266</u>	<u>178</u>	<u>1,144</u>	<u>44,588</u>
<b>Resources expended</b>					
<b>Cost of raising funds:</b>					
Non-ancillary		(258)	-	-	(258)
Fundraising costs		(665)	(1)	-	(666)
Financing costs		<u>(686)</u>	<u>-</u>	<u>-</u>	<u>(686)</u>
		<u>(1,609)</u>	<u>(1)</u>	<u>-</u>	<u>(1,610)</u>
<b>Charitable activities:</b>					
School operating costs		<u>(46,293)</u>	<u>(260)</u>	<u>(18)</u>	<u>(46,571)</u>
Total resources expended	3	<u>(47,902)</u>	<u>(261)</u>	<u>(18)</u>	<u>(48,181)</u>
Net investment gain	9	(209)	-	(379)	(588)
Net Short Term Investment loss		(761)	-	-	(761)
<b>Net income/(expenditure) before transfers</b>		(5,606)	(83)	747	(4,942)
Transfers between reserves	7	<u>3,792</u>	<u>(532)</u>	<u>(3,260)</u>	<u>-</u>
<b>Net movement in reserves in the year</b>		<u>(1,814)</u>	<u>(615)</u>	<u>(2,513)</u>	<u>(4,942)</u>
<b>Balances brought forward at 1 July</b>		<u>40,405</u>	<u>905</u>	<u>27,906</u>	<u>69,216</u>
<b>Balances carried forward at 30 June</b>		<u>38,591</u>	<u>290</u>	<u>25,393</u>	<u>64,274</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 2022 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	-	-	23,070	-	23,070
Expendable endowment	2,324	-	-	-	2,324
Restricted reserves	290	-	-	-	290
Designated enrolment reserves	5,350	-	-	-	5,350
Designated facilities reserves	224	-	1,463	-	1,687
Designated reserves – other	3,862	-	-	-	3,862
Designated reserves-applied Rtn	-	-	2,500	-	2,500
General reserves	(2,100)	(27,000)	-	54,292	25,192
<b>Total reserves</b>	<b>9,950</b>	<b>(27,000)</b>	<b>27,033</b>	<b>54,292</b>	<b>64,275</b>

### Reconciliation of opening and closing reserves

#### a) Designated reserves

	Balance 30 June 2021 £,000	New funds designated £,000	Resources expended £,000	Transfer to general reserve £,000	Balance 30 June 2022 £,000
Enrolment reserve	5,350	-	-	-	5,350
Facilities reserve	1,112	1,261	(686)	-	1,687
Building & Equipment reserve	973	-	-	-	973
Plant reserve	3,011	1,200	(812)	(1,113)	2,286
Prolonged Disability reserve	54	-	-	-	54
Staff Cost reserve	347	-	-	-	347
New Initiatives reserve	410	-	(209)	-	201
Applied Returns investment	-	2,500	-	-	2,500
	<u>11,257</u>	<u>4,961</u>	<u>(1,707)</u>	<u>(1,113)</u>	<u>13,398</u>

#### b) Restricted reserves

	Balance 30 June 2021 £,000	Incoming resources £,000	Resources expended £,000	Transfer between reserves £,000	Balance 30 June 2022 £,000
New Frontiers Capital Campaign	488	25	(260)	(253)	-
Other restricted reserves	418	153	-	(281)	290
	<u>906</u>	<u>178</u>	<u>(260)</u>	<u>(534)</u>	<u>290</u>

## Notes to the financial statements (continued)

### a) Permanent Endowment funds

	Balance	Transfers		Total		Allocation	Balance
	30 June	between	Donations	Return	Disinvestment	to Income	30 June
	2021	Reserves					2022
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Student Financial Assistance	9,960	27	(131)	269	(269)	(1,000)	8,856
Facilities Fund	168	-	(2)	5	(5)	-	166
Community Enrichment	1,202	-	(16)	32	(32)	-	1,186
Faculty and Staff support	13,990	-	(184)	378	(378)	(1,500)	12,306
General	562	-	(7)	16	(16)	-	555
	<u>25,882</u>	<u>27</u>	<u>(340)</u>	<u>700</u>	<u>(700)</u>	<u>(2,500)</u>	<u>23,069</u>

### b) Expendable endowment funds:

	Balance 30	Transfers		Resources	Allocation	Balance 30
	June 2021	between	Donations	Expended	to Income	June 2022
	£,000	Reserves	£,000	£,000	£,000	£,000
Community Enrichment	389	-	-	(17)	-	372
Student Financial Assistance	873	253	378	-	(313)	1,191
Faculty and Staff support	762	-	-	(1)	-	761
	<u>2,024</u>	<u>253</u>	<u>378</u>	<u>(18)</u>	<u>(313)</u>	<u>2,324</u>