

Company number: 00984415

Charity number: 325073

# **German School Association Limited**

## **Report and Financial Statements**

**31 August 2021**

## German School Association Limited

### Reference and administrative details

For the Year ended 31 August 2021

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<b>Company number</b>	00984415
<b>Charity number</b>	325073
<b>Registered office and operational address</b>	Douglas House Petersham Road Richmond Surrey, TW10 7AH
<b>Management Committee</b>	Members of the Management Committee, who are also trustees under charity law, who served during the year and up to the date of this report were as follows: J P Weiland                      Chair C von der Goltz                (retired 10 March 2021) M Nitsche K U Karl F J von Schubert                Treasurer C Thomann Cara Williams                (appointed 10 March 2021) Paula Walter                    (appointed 10 March 2021) Jan Hoffmann                (appointed 10 March 2021)
<b>Principal staff</b>	C Nitschke                      Head Teacher M Krauss                      Commercial Director
<b>Bankers</b>	Baden-Württembergische Bank unselbstständige Anstalt der Landesbank Baden-Württemberg Kleiner Schlossplatz 11 70173 Stuttgart Germany  HSBC Plc Bank House High Street, Hampton Wick Kingston upon Thames Surrey, KT1 4DA
<b>Solicitors</b>	Russell-Cooke 2 Putney Hill London, SW15 6AB
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON, EC1Y 0TL

**Report of the Management Committee**

**For the Year ended 31 August 2021**

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**Chair's statement**, by Jan Peter Weiland

**Dear Members of the German School Association Ltd. and School Community,**

As in the previous year, the financial and school year 2020/21 for the Deutsche Schule London (the "School" or "DSL") and the German School Association Ltd (the "Association") has been impacted by the COVID-19 pandemic, which has necessitated another period of lockdown and remote learning for our students from year 1.

Together with the entire school community we have continued to get through this unprecedented crisis. Our tools and approach to remote learning are well established. In addition, with the experience gained since the first lockdown, we have managed the pedagogical aspect of the school very successfully. Our Abitur candidates were able to take their full exams, despite lockdown, and the overall exam results across the year came in above those achieved in 2020.

At the same time, risks had to be reassessed and measures we put in place in order to keep staff and pupils safe have been reviewed on a continuous basis. Adopting a very careful approach, in many instances with heightened measures beyond what the UK guidance required, we managed to keep the school safe and cases to a very low number in comparison with other organisations. We kept the school open for children of key workers throughout lockdown. When we re-opened the school in March, we followed required procedures and guidance including mass asymptomatic testing for all secondary students on site.

During the reporting period, student numbers decreased by c.3% versus the prior year to an average number of 848. In addition to COVID-19, Brexit has continued to play a factor in decisions our parents have had to take. Overall, we saw a slightly lower fluctuation of our pupil numbers but also slightly reduced interest from prospective parents. With the exit of the UK from the European Union now completed and freedom of movement between the UK and Germany abolished, we have acquired the necessary immigration licenses, so that we are able to recruit staff from Germany. This has added significantly to the costs and the administrative burden of recruitment and at the same time has severely reduced the flexibility and agility in filling vacant positions.

In addition to challenges such as Brexit and the COVID-19 pandemic, there continues to be a shortage of teachers in Germany and the UK, which adversely affects our ability to attract, recruit and retain high-quality staff. Regulatory requirements for schools are ever increasing. We seek to actively manage these risks by continuing to make investments that ensure an attractive framework for our pupils and the entire school community.

The School is committed to overcoming the difficulties outlined above, so as to deliver the highest level of educational quality and to providing first-class facilities that ensure excellence in all areas across the School. To achieve these objectives, the Management Committee, the Headteacher and the school leadership team have agreed to continue investing in teaching quality in line with the School's vision.

During this year, we have seen changes in the Management Committee with Charlotte von der Goltz retiring and three new Board members appointed, namely Cara Williams, Paula Walter and Jan Hoffmann. The School's leadership structure is unchanged with Mr. Nitschke in charge as Head Teacher and Matthias Krauss as Commercial Director. Jan Peter Weiland continues to chair the Management Committee.

**Report of the Management Committee**

**For the Year ended 31 August 2021**

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**Financial situation**

The financial position of the Association has been stable, reporting a small deficit in the financial year 2020/21 of -£40,170. This result is much better than anticipated, thanks to higher student numbers than originally budgeted, tight cost control and recalibration where possible, and as a result of additional COVID-19 funding made available by the German Government, which has covered a large part of the reduced income and the additional spending necessary during the Pandemic.

During 2020/21 the School continued to receive assistance in the form of a cash subsidy from Germany of £418,468 and the secondment of 12 state-employed teachers ("*Auslandsdienstlehrkräfte*" or "ADLK").

We are grateful for the continuous support of the German Foreign Office ("*Auswärtiges Amt*", "AA") in Berlin, which underlines its commitment to German Schools abroad as a cornerstone of the German educational system.

The School has granted £40,121 of school fee relief to families in need.

**Achievements in 2020/21 and planned projects**

The main project during the financial year 2020/21 has been the completion of phase 1 of the renovation and extension of the main building, which hosts most of the secondary school. The building is almost 50 years old and required renovation of its infrastructure and services for cafeteria, heating, electrics and fire security. Services and infrastructure in the building have been modernised and the science and art rooms have been completely renewed including state of the art equipment, which our students will be able to enjoy for many years to come. Four additional class rooms plus meeting space have been added on the first floor to offer more space for teaching. Despite the main School building having Grade II listed status and interruptions caused by the pandemic the project has been delivered with only a slight delay and within budget. Over the summer and into the new school year, work in phase 2 has continued and a new Lernzentrum was created in the heart of the school, which was commissioned in November and concludes this extensive project.

This investment was only possible with the generous support of the German government's Central Agency for Schools Abroad ("*Zentralstelle für Auslandsschulwesen*", "ZfA") in Bonn and the *Auswärtiges Amt* in Berlin.

The pandemic forced the School to close its premises twice over the past 20 months in line with government guidelines. In response, the school further developed its IT services and supported the training required by our pedagogical staff, in order to ensure a sophisticated remote learning programme for all of our students. We have further invested in IT resources and systems and continue to do so to keep the momentum and work towards hybrid learning forms, but also to be prepared should further lockdowns and school closures be necessary.

The School continues to recruit high quality pedagogical staff, expand the integrated approach to safeguarding, inclusion, psychological support and social pedagogy (*Beratungsquadrat*), invest in IT education and digitalisation, enhance Ganztags and extracurricular activities and facilitate English for beginners in order to support the bilingual challenges of a German School abroad. The overall objective is to provide a holistic and sustainable education.

For the school year 2021/22, the management of the impact of the COVID-19 pandemic on the School continues to require our attention, but we are also looking forward to a year of celebrations on the occasion of the 50 year anniversary of the German School in London in September 2021. A unique and important anniversary for our community and an opportunity to further enhance and showcase the bridges between the UK and Germany that our school endeavours to build.

**Report of the Management Committee**

**For the Year ended 31 August 2021**

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Toward the end of the reporting period, the Board accepted the resignation of our Headteacher, who is returning to Germany in November 2021, for family reasons. We are very grateful for the many contributions and innovations introduced by Mr Nitschke, which will continue to shape the School's character. A recruitment process has commenced in coordination with the *Zentralstelle für Auslandsschulwesen*. Until a new headteacher is found for the next school year, the School will be led by a leadership team comprising of Mrs. Claudia Wolf-Lieser (as acting headteacher), Mrs. Viola Martin-Nastos and Mr. Matthias Krauss.

**Head Teacher's Comments, by Christian Nitschke**

The good results of the June 2015 and April 2018 inspections by the UK Office for Standards in Education, Children's Services and Skills ("Ofsted") - "outstanding" or "good provider" in all four, respectively five categories, with an overall rating of "good provider" in 2018 have reassured the School and defined the developmental areas within its programme. These have been complemented by the German Inspectoral Agency re-awarding the status "Excellent German School Abroad" in September 2017.

The main goals in the School's development programme resulting from the inspections and subsequently refined for the School for 2020/21 were:

1. Learning for an international future: securing academic bilingual competences
2. Anchoring structures of a student-activating and project-oriented teaching programme
3. Enhancing Collaboration: Utilising and developing experiences and insights of the Pandemic:
  - Using a digital platform for the communication and organisation of teaching
  - Adapting spatial structures to project-oriented learner settings
  - Optimising communication formats with parents

Learning both German and English on a native speaker level is one of our prominent aims. The bilingual programme comprises teaching units in English in the subjects of the Humanities, the Sciences, Art and Music for Year 5 to 10, as well as for Sports in Year 1 to 10. It has been enriched by introducing Geography and Economics as bilingual subjects in Year 11 and 12 for Abitur and IB students. Furthermore, the programme for "Individual Support in German" has been extended from Primary School into years 5-8 in the Secondary.

The dual qualification programme, introduced in 2011, graduated an extremely successful group of 14 pupils in 2017, 16 in 2018 and 12 in 2019, 14 in 2020 and 17 in 2021. The 3 students doing a full diploma, parallel to the DiA, achieved exceptionally good total results: 34, 36 and 41 points. The result of the International Abitur Diploma was 2.05 in 2021 compared to 2.17 in 2020. The results of the German International Abitur of all graduates confirm that the introduction of the dual qualification has generally led to better overall performances at the School. Various strategies to improve exam results in the dual qualification itself have shown successes.

The graduates in the period from 2016 to 2021 have been accepted by universities such as University of Cambridge, University of Oxford, University College London, Queen Mary University London, University of the Arts London, St. Andrews in the UK; Humboldt-Universität Berlin, Freie Universität Berlin, Ludwig Maximilian Universität München, Georg-August Universität Göttingen, RWTH Aachen und FH Heide in Germany; McGill University Montreal, University of Toronto in Canada; University of Amsterdam, University of Maastricht, Leiden University Den Haag in the Netherlands and Bocconi University Milano/Italy reflecting their varied subject and geographical interests.

**Report of the Management Committee**

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**Teacher collaboration:**

A School development programme has been implemented giving teachers two 90-minute slots per month for developmental projects in small workgroups that collaborate as so called SMART groups. In addition, teachers collaborate in a lateral professional developments structure bi-annually in so-called Triangle Groups.

As a result of the Pandemic the School engaged in the creation of a virtual school programme and provided different scenarios between a complete lockdown to full-scale on-site teaching and trained its staff accordingly. The IT structures have seen a considerable advancement and have now become of a new programme elements, such as a project-oriented pilot programme for years 9 and 10. All students in years 9-12 have been equipped with their individual tablets by the school.

**Independent learning:**

In order to intensify independent learning, a cross-subject curriculum to promote learning skills has been introduced. Curricula in specific subjects have been revised, in order to integrate the skills as part of the learning process.

**Culture of feedback and evaluation:**

To improve the quality of teaching, feedback has been introduced between teachers and pupils in Years 9 and 10 and will now be extended to all year groups from 5-12. Furthermore, teachers regularly observe lessons as critical friends and share their views. A tri-monthly performance feedback to pupils is considered a helpful tool to proactively make them aware of opportunities and challenges.

**BERATUNGSQUADRAT: Inclusion/Safeguarding/Social Pedagogy and School Psychology:**

Led by a team of experts, we have continued a project connecting the four support areas Inclusion, Safeguarding, Social Pedagogy and School Psychology in their work for our student body. With this pluri-professional team in the SEN area, new responsibilities and processes have been established. The area of IEPs is being re-implemented with a newly-designed software programme that was created for the school in a collaborative project with the University of Regensburg/Germany. In addition, an external supervisor accompanies all professionals through individual sessions, workshops and training sessions.

**Accountability:**

After two recent external evaluations, the School was subject to the "Bund-Länder-Inspektion" in September 2017, an evaluation by the German Government and an integral part of the quality management of the German Schools Abroad that takes the form of a week-long inspection. Main development areas identified are achieving independent learning for all pupils and differentiation and individualisation in teaching. The School passed the inspection and has been re-awarded with the title "Excellent German School Abroad" by the inspection team. The School continues to implement the development plan instituted as a result of the inspection and reports to the (ZfA) regularly on pupil attainment and other matters, as required of German Schools Abroad, as well as to the Management Committee of the Association which takes an active interest in educational performance. The School regularly participates in four diagnostic exams in years 3, 5, 6 and 8 next year that are benchmarked against local German primary and secondary schools. This provides us with valuable data on how well our students are faring in comparison to Germany. All results during the time of the Pandemic were specifically encouraging, with DSL students generally ranking above and well above their peers in Thuringia and Baden-Württemberg in 2020 and 2021.

**Cooperation with our host country:**

Our programme of exchanges with British and international Schools is continuously growing. An increasing number of pupils visit the School and gain an insight into German culture; and vice versa, more German pupils develop further perspective on English culture and life through their School visits. Teaching German at the neighbouring Russell School

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### **Report of the Management Committee**

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is one of the many ongoing efforts to support language learning in the UK. We have hosted a local concert commemorating the end of WWI together with local British and international partners and launched and staged a re-write of the Beggar's Opera with the English composer James Olsen in June 2019. In 2021 we have launched a festive year dedicated to our 50<sup>th</sup> school anniversary in London.

Pupils at the German School London also dedicate their time and commitment to support charitable and civic ventures. DSLaktiv members successfully organised a sponsored walk and a Charity Dinner to raise funds for underprivileged children. More than 45 students participate currently in the Duke of Edinburgh Award Scheme in order to learn how to be responsible citizens. The Model United Nations' seminars are regularly attended by DSL pupils. In 2020 and 21 students have continued and further grown their self-organized series of public lectures on varied topics, in part in a digital format owing to the pandemic.

#### **Introduction**

The Management Committee is pleased to present its report together with the audited financial statements of German School Association Limited for the year ended 31 August 2021 in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities; SORP applicable to charities preparing their accounts in accordance with FRS 102.

#### **Objectives of the Association**

The main objectives as set out in the Memorandum of the Association are:

- To establish, maintain and conduct for the benefit of the public a German School;
- To educate children and adults in the language, literature and general culture of Germany;
- To promote the education of German speaking persons of all ages resident in Germany and elsewhere in the language, literature and general culture of England; and
- Generally to promote the study of German culture in England, and English culture in Germany.

The general goals for the School itself are documented in the School Profile of the German School London (the "School Profile") as developed by the General School Conference and approved by the Management Committee from time to time. The School Profile stipulates that the School strives:

- To support the individual, social and academic development of its pupils by a well-founded broad education;
- To offer a German curriculum as well as a final high school exam (Abitur) for transition back into the German system or into higher education in Germany;
- To teach the English language and British culture and support integration into British society;
- To help create a positive image of Germany through a wide array of cultural programmes, social activities and sporting events; and
- To educate and encourage its pupils to be responsible and tolerant citizens in an intercultural society

#### **Structure, Governance and Management Overview**

The German School Association Ltd was founded in 1970 and awarded charitable status in 1974. The School became operational in 1971 and provides education for German-speaking pupils from kindergarten to university entry level. The Association is governed by its Articles of the Association which were most recently updated on 6 March 2019.

**Report of the Management Committee**

**For the Year ended 31 August 2021**

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**Role and Composition of the Management Committee**

The Management Committee manages the business and exercises all powers of the Association, of which the core responsibility is the operation of the German School London. In essence, the Management Committee determines the strategy of the School and ensures all prerequisites for the successful operation of the School, including: determining the character and form of the School; adopting the curriculum; appointing the Head Teacher and teaching staff as well as administrative staff; determining School fees and expense budgets; arranging financing and investing the Association's monies; as well as making and amending the regulations for the governance of the School. The Association's goals can only be successfully pursued in close cooperation with the Head Teacher of the School, and any decisions relating to pedagogical matters are discussed with the Head Teacher. In order for the Association to secure the essential support by the Federal Republic of Germany, the Management Committee must demonstrate that the Association and the School adhere to the Guidelines for German Schools Abroad, as issued by the Central Office for German Schools Abroad ("Zentralstelle für Auslandsschulwesen", "ZfA"), a department of the Federal Office of Administration ("Bundesverwaltungsamt", "BVA").

The Management Committee currently consists of at least 6 and up to 12 members and 8 board members at the end of the reporting period, who are exclusively volunteers. No member of the Management Committee received any remuneration in respect of their services to the Association during the financial year 2021 (financial year 2020: £nil). No members of the Management Committee received reimbursement of travel expenses in the year, (financial year 2020: £ Nil). All Management Committee members are directors of the company under the Companies Act 2006 and at the same time trustees of the charity. They are nominated and elected by the members of the Association.

**Conduct of Business of the Management Committee**

Management Committee meetings are held on a regular basis during the year. In addition to the members of the Management Committee, the Head Teacher, the Commercial Director/Company Secretary, and a representative of the German Embassy as well as a parents' and a teachers' representative have a statutory right to attend but do not have voting powers. Moreover, the Deputy Head, the Head of the Primary School, the Head of Kindergarten/Pre-School and a representative of the "Friends of Douglas House" are regularly invited to attend.

The Management Committee is aware that its voluntary members have to ensure that the Management Committee's responsibilities are performed to a high standard, reliably and, on a continuous basis. The possibility of significant change in the composition of the Management Committee constitutes an on-going challenge. A structure has been put into place to ensure the effective performance of the Management Committee through suitable delegation and supervision as well as adequate internal organisation.

**Administration**

The School Administration (through the Commercial Director) assumes day-to-day responsibility for the on-going management of the infrastructure and finances of the School and supports the Management Committee and the Head Teacher in their duties. A framework of Financial Regulations ensures effective control and supervision of the School's funds.

**Commercial Director**

The Commercial Director reports to the Management Committee. He represents the Management Committee inside and outside the School and is the first point of contact for Management Committee matters. He ensures, in close cooperation with the Chair and the Head Teacher of the School, that the Management Committee deals with all relevant issues at the Management Committee meetings as well as at Sub-Committee level and that adequate information is provided as a basis for the Management Committee's decisions. The Commercial Director is a member of all Sub-



**Report of the Management Committee**

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Committees and co-ordinates between these. He monitors the implementation of Management Committee decisions, supervises the day-to-day financial management of the Association, and advises the Management Committee on any related risks. He does not have voting powers at Management Committee Meetings. As the representative of the Management Committee, the Commercial Director ensures effective cooperation and coordination between the Management Committee and the Head Teacher and minimises the need for day-to-day operational involvement of Management Committee members.

**Sub-Committees**

The Management Committee has currently established 6 Sub-Committees: Estates; Finance; Communication; Personnel; IT and Governance. The Sub-Committees prepare recommendations to the Management Committee and oversee the implementation of Management Committee decisions. They are chaired by a member of the Management Committee. A member of the administration team is also a member of each Sub-Committee and acts as its secretary. The Head Teacher or the Deputy Head or a member of the teaching staff appointed by the Head Teacher is a member of most Sub-Committees, in order to ensure relevant and up-to-date input from the School as the basis of Management Committee decisions.

The Management Committee also invites members of the Association (who are not Management Committee Members) with relevant skills and experience to join the Sub-Committees as external members. Thereby the Management Committee has access to experts to help it fulfil its role effectively.

**Recruitment of Committee Members**

In general, the Management Committee encourages members of the Association to get involved at a Sub-Committee level before seeking to be elected to the Management Committee. This ensures a much higher quality of decision-making in the appointment of new Management Committee Members, both from the Association's as well as the individual's point of view. This does not affect members' rights to nominate and elect persons who have not served on a Sub-Committee of the Management Committee.

**Trustee Induction and Training**

New trustees are informed and introduced into their roles by the Chair and the Commercial Director and receive materials and training about trustees' responsibilities.

The German School Association has taken out trustee indemnity insurance. This covers claims made against the School in respect of trustees' liability arising from any negligent act, error or omission committed in good faith. The premium for the insurance is included in the School's public liability premium.

**Fundraising practices review**

All fundraising practices are framed within the values and principles of the organisation. Where expenditure is required to generate income, there is an analysis of the return on investment to ensure the organisation is able to make informed decisions regarding activities.

The fundraising and partnership team are internal and the organisation does not use external professional fundraisers. We do not employ the services of any fundraising agencies or third parties, nor have we run a telephone or door to door fundraising campaign. Our relationship with our supporters is very important to us and we do not wish for our supporters to feel under any pressure to donate to the charity. Where we partner with corporates, due diligence is conducted on the organisations and the amount of time and effort we as a charity needed to put in, versus the income we would likely receive. Clear parameters and responsibilities are then agreed between partners.

## **German School Association Limited**

### **Report of the Management Committee**

#### **For the Year ended 31 August 2021**

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We have ensured we are in line with the GDPR data protection regulations and all other relevant codes of conduct. No complaints have been received and the charity aims to protect vulnerable people.

#### **The Head Teacher of the School**

Mr Nitschke was appointed as Head Teacher by the Management Committee and took office in August 2016. The Head Teacher is responsible for all pedagogical matters. The Head has to ensure that the School is operated within both the German regulations and standards and the requirements of the Local Education Authority. The Head Teacher is assisted by a Deputy, the Head and Deputy of the Primary School, the Head of the Kindergarten and PreSchool, and three Coordinators. All School employees report to the Head Teacher. The appointment of a Head Teacher who is seconded by the Federal Republic of Germany is one of the prerequisites for the extensive support for the Association provided by the Federal Republic of Germany.

#### **Relationship with the Federal Republic of Germany**

The Association benefits from significant support from the Federal Republic of Germany, as the work of the Association is viewed as a key instrument of foreign cultural policy in the UK. The strong cooperation with and support provided by the Federal Republic of Germany is of great importance for the Association. The financial support from the Federal Republic of Germany consists of cash and non-cash contributions.

The continuous financial support takes three main forms:

1. Provision of teachers by secondment: this accounts for approximately 47 % (2020 : 58%) of the support.
2. Rights to use the School premises and buildings, which are owned by the Federal Republic of Germany, free of rent: this accounts for approximately 22% (2020 : 26%) of the support, based on a rental evaluation carried out in December 2004. (The Association has to bear the cost of maintenance of the premises).
3. Payment of a School subsidy: this accounts for approximately 13% (2020 : 16%) of the support.

The use of land and premises is governed by a usage agreement. In December 2006, the Management Committee reached agreement with the German Foreign Office to amend the usage agreement, which is the main precondition for future investments of the Association in buildings on the premises that are the property of the Federal Republic of Germany. The principal amendment is the exclusion of the ordinary termination right for the premises for up to 30 years once the Association has started the construction of a new School building.

To ensure compliance with the rules and regulations that are the basis for the support, a member of the Department of Cultural Affairs of the German Embassy, acting as the representative of the German government, is invited to attend all Management Committee Meetings. In addition, the Federal Conference of the Education Ministries in Germany ("Bund-Länder-Ausschuss der Kultusministerkonferenz") carries out inspections of the academic examination standards, through a process of evaluation of the exam tasks, performances and results.

#### **Supporting Organisations, Friends of Douglas House**

The German School Association is supported by the Friends of Douglas House (the "Friends"), Charity No. 268743. The charity was founded in 1972 and its members are predominantly parents of the School. The main objective of the Friends is fundraising for the School. They organise most School festivities and the Association grants them the use of the School's premises for this purpose free of charge. The Friends raised and contributed £39,042 (2020 : £18,598) to the School.

The Friends also play an important role with respect to the social integration of newly arrived families at the German School London, most of whom come from abroad and regard the School as one of their primary points of contact.

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##### **Supporting Organisations, Swiss Parents Association**

The Swiss Parents Association at the German School, Charity No. 1002961, was founded in 1991. The main objective of the Swiss Parents Association is to support the Swiss pupils at the School by supporting the employment of a Swiss teacher. The Swiss Government supports the Association in the form of a grant and Swiss parents are paying a supplement to the School fees charged by the School.

##### **The German School Association and the Community (Public Benefit)**

The trustees of the German School Association strongly support the view that the School strives to play a full and responsible part in its local community. The Committee Members have regard to the Charity Commission guidance on public benefit. The principal ways in which the School achieves this are as follows:

- At any given time, a number of children are supported by the School with bursaries representing up to 100% of their School fees, providing economic support to families in need. In the period ended 31 August 2021, 8 pupils received bursaries at a total cost to the School representing 0.6% of gross fee income.
- The German School Association directly passes on all grants and reductions it receives to its pupils. Apart from the principal benefits that the German School Association derived from its charitable status, it received grants from the German government in the form of secondment of teachers and provision of the premises free of charge, as well as a cash grant during the financial year ending 31 August 2021.  
In addition to the continuous support from the German Government, the School received support monies for the financial impact of the Covid lockdown.
- The German School London welcomes individuals who wish to undertake practical work in School as part of their teacher or childcare training. The School donates its resources free of charge to help in the training and supervision of these students.
- The School opens its facilities to neighbouring Schools, clubs and summer camps and provides a venue for the German Saturday School Richmond.
- The School supports free-of-charge German language classes at neighbouring Russell School, contributes to the German Language Fair at Strathmore School and at Tiffin Boys' School, and invites English teachers teaching German and their pupils regularly for exchange visits.
- The German School works closely with the local German churches (both Catholic and Protestant) and grants them the use of the School facilities for various activities.
- By educating approximately 848 children independently, pressure on places in the maintained sector is relieved.

### **Strategic report**

#### **Review of Activities**

At the end of the financial year, which coincides with the academic year, there were 841 pupils at the School, representing more than 30 different nationalities including those with multiple nationality.

In 2021, 32 pupils passed the "Abitur", the German equivalent of A-levels, mastering 10-12 subjects and thus achieving university entrance level. Out of these graduates, 3 students successfully passed their examinations for dual qualification, namely the German Abitur and the International Baccalaureate Diploma Programme (IB) and a further 14 students participated the International Baccalaureate Diploma Programme (IB) as Course Candidates.

During the academic year 2020/21, on average 12 teachers were seconded from the Federal Republic of Germany. In addition, a total of 98 teachers were employed locally by the Association.

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##### **Income and expenditure account**

An operating deficit (of expenditure over income) was recorded for the financial year amounting to -£40,170 (Financial year 2020: £159,018)

Incoming resources during the period amounted to £10,465,643 (financial year 2020: £10,301,885).

This includes £6,477,330 for educational fee income (financial year 2020: £6,491,867) and £1,014,612 income from other educational activities (financial year 2020: £881,985).

Income from Grants and Donations amount to £2,970,973 (financial year 2020: £2,892,716), of which the German government's Central Office for Schools Abroad (ZfA) provided financial support amounting to £418,468 (financial year 2020: £420,340) and made available to the Association 12 teaching staff. The German government also made available to the Association additional COVID-19 funding plus the rent-free use of land and buildings. The Association is dependent to this extent on the grants receivable and staff provided from the German Government.

Average staff numbers during the year were 158 (2020 164). Staff costs remain a major item of expenditure, amounting to 62% of total resources expended, including the staff provided by the German government.

##### **Balance sheet**

The net assets of the Association on 31 August 2021 were £14,893,205 (financial year 2020: £14,933,375)

##### **Reserves**

The assets and liabilities attributable to the various funds by type are shown in note 20a. Note 21a also describes the various funds of the charity and summarises the year's movement on each fund. The unrestricted reserves of the Association amount to £5,791,947 at 31 August 2021 (financial year 2020: £5,402,172) including designated funds of £1,580,283 for capital projects.

The Management Committee's policy is to build up reserves by means of annual operating surpluses. Reflecting the current economic circumstances and the necessity to plan ahead for continuous and future capital projects, such as sports hall and main building renovation and extension, it has been determined that the appropriate level of reserves should be at least equivalent to 6 months expenditure, with current reserves being around 6 months' expenditure.

As far as possible, the trustees endeavour to keep School fee increases as low as reasonably possible whilst ensuring that, in their opinion, the appropriate level of reserves is achieved and the financial resources are available to ensure the continuous operation of the School's day-to-day business in keeping with the School's mission.

##### **Investment policy**

The Management Committee has the power to invest in such assets as it sees fit. In view of the nature of the charitable company's activities and to safeguard the assets of the Charity, any surplus funds are currently invested in short-term fixed deposits only.

##### **Remuneration Statement**

We are committed to ensuring that we pay our staff a fair and appropriate salary while always making sure we have the ability to do so. We aim to pay staff a competitive salary that is appropriate for a School of our size and structure and relevant to the job market. We endeavour to provide a total remuneration package to enable us to attract and retain people with the right skills and therefore have the greatest impact in delivering our objectives in providing a first class education for our pupils.

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In setting senior leadership pay, the School takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found.

In accordance with the Statement of Recommended Practice we disclose in note 10 to the accounts:

- All payments to trustees (no trustees are paid) and expenses reimbursed
- The number of staff with salaries of £60,000 and above
- Pensions and other benefits

**Plans for the future**

The German School Association provides the appropriate infrastructure for the German School London to achieve its educational programme and pedagogical goals. With the introduction of the double qualification of IB (International Baccalaureate) and the German International Abitur, the School has expanded the options available for its increasing number of internationally-oriented students. The School has been offering a programme making IB course and certificate offerings available for more Abitur candidates.

The School is committed to delivering the highest level of educational quality and to providing first-class facilities to ensure excellence in all areas across the School. To achieve these objectives, the Management Committee, the Head Teacher and his team have agreed to continue investing in teaching quality at the School in line with the School's vision.

A number of long-term key factors such as high pupil numbers in the Pre-School and Reception years, as well as the number of registrations of pupils throughout the School, the extension of the School day and increased tuition in specialised groups and the introduction of the IB and other programmes, combined with the expansive site of the School with its various buildings from different centuries, some of which are listed buildings, create the need for constant attention to the maintenance of and investment in the School infrastructure, which explains the capital investment made on a regular basis. The refurbishment and constant upkeep of the existing School buildings remain a high priority on the trustees' agenda and will be carried out according to plan. The German Foreign Office has recognised its responsibility to partially fund the refurbishment of the existing buildings.

**Principal Risks and Uncertainties**

The Management Committee acknowledges its responsibility for ensuring that the major risks to which the Association is exposed are identified and systems are designed to manage those risks. In addition to the routine health and safety assessments undertaken by the School's staff, the Management Committee conducts an annual risk inventory and also regularly assesses the risks to which the charity is exposed, agrees how those risks may be best mitigated and takes the appropriate action to manage them. The Management Committee takes the issue of risk management with the utmost seriousness and risk assessment is a routine item on its agenda. Of particular concern to the MC are:

- The German School is committed to safeguarding and promoting the health and welfare of its community members; pupils, staff, volunteers, parents, third party contractors and visitors. The Covid-19 pandemic continues to require significant changes to the normal operations of all businesses in the UK and around the world. Health and safety of our pupils and of our staff are paramount. We have conducted and reviewed thorough risk assessments in all areas of the school in order to minimize risks staff and our pupils face, recognizing that they cannot be eliminated completely. We have worked through a system of controls in order to establish essential measures to prevent spreading the virus and to response properly to any infection.
- The effect of the United Kingdom leaving the EU on 31.12.2020 and whether this will in future have a material effect on pupil numbers and the ability to recruit adequate staff. Appropriate immigration licenses have been required in order to manage staff recruitment, and for the recruitment and retention of pupils marketing activities are being increased.

**Report of the Management Committee**

**For the Year ended 31 August 2021**

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- German support contribution is also dependent on achievement of performance in Abitur grading and could have a detrimental effect on the value of teaching resource provided by Germany. Continual review of the attractiveness of the Abitur and having a strong basis of secondary School pupil numbers is undertaken.
- Any crisis that has a significant impact on the ability to operate the School, such as a fire, may impact widely in terms of operational costs and longer term damage. Such circumstances are the subject of extensive risk management scrutiny and processes to not only ensure compliance with statutory obligations but to achieve material reduction in the likelihood of such events occurring.

**Statement of responsibilities of the Management Committee**

The Management Committee (whose members are directors of the German School Association Limited for the purposes of company law) is responsible for preparing the report of the Management Committee including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Management Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is 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.

In so far as the Management Committee is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Management Committee members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Management Committee is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2021 was 8 (2020: 6). Members of the Management Committee are members of the charity but this entitles them only to voting rights. Members of the Management Committee have no beneficial interest in the charity. It is noted that in 2021 most members of the Management Committee were parents of pupils at the School.

**German School Association Limited**

**Report of the Management Committee**

**For the Year ended 31 August 2021**

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**Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor and has expressed its willingness to continue in that capacity.

The Report of the Management Committee, which includes the Strategic Report, has been approved by the Management Committee on 29 November 2021 and is signed on its behalf by

Jan Peter Weiland

Chair of the Management Committee

## **Independent Auditor's Report**

### **To the members of**

#### **German School Association Limited**

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#### **Opinion**

We have audited the financial statements of German School Association Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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 trustees' 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 German School Association Limited'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 other information comprises the information included in the trustees' annual report, including the strategic report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.



## **Independent Auditor's Report**

### **To the members of**

#### **German School Association Limited**

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

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 statement of trustees' responsibilities set out in the trustees' annual report, 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.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

#### **Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

## Independent Auditor's Report

To the members of

**German School Association Limited**

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- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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.

### 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.

Noelia Serrano (Senior statutory auditor)

17 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**Statement of Financial Activities** *(incorporating an Income and Expenditure Account)*
**For the year ended 31 August 2021**

		Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
	Note						
<b>Income from:</b>							
Income from Grants & Donations	2	30,717	2,940,256	<b>2,970,973</b>	166,857	2,725,860	2,892,716
Charitable activities - <i>Educational fee income</i>	3	-	6,477,330	<b>6,477,330</b>	-	6,491,867	6,491,867
Other educational activities	4	-	1,014,612	<b>1,014,612</b>	-	881,985	881,985
Investments	5	-	2,728	<b>2,728</b>	-	35,316	35,316
<b>Total income</b>		<b>30,717</b>	<b>10,434,926</b>	<b>10,465,643</b>	<b>166,857</b>	<b>10,135,029</b>	<b>10,301,885</b>
<b>Expenditure on :</b>							
Charitable activities - <i>Educational costs</i>	7	460,662	10,033,236	<b>10,493,898</b>	369,055	9,749,930	10,118,985
Foreign exchange losses	6	-	11,915	<b>11,915</b>	-	23,884	23,884
<b>Total expenditure</b>		<b>460,662</b>	<b>10,045,151</b>	<b>10,505,813</b>	<b>369,055</b>	<b>9,773,814</b>	<b>10,142,869</b>
Net income / (expenditure) and net movement in funds for the year		(429,945)	389,775	<b>(40,170)</b>	(202,198)	361,215	159,018
<b>Reconciliation of funds</b>							
Funds brought forward		<b>9,531,203</b>	<b>5,402,172</b>	<b>14,933,375</b>	<b>9,733,401</b>	<b>5,040,956</b>	<b>14,774,357</b>
<b>Total funds carried forward</b>		<b>9,101,258</b>	<b>5,791,947</b>	<b>14,893,205</b>	<b>9,531,203</b>	<b>5,402,172</b>	<b>14,933,375</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

## Balance sheet

Company no. 00984415

**31 August 2021**

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	14		<b>15,618,433</b>		<b>14,781,355</b>
<b>Current assets</b>					
Stock		<b>5,776</b>		3,664	
Debtors	15	<b>225,237</b>		138,942	
Cash at bank and in hand		<b>7,399,277</b>		<b>8,048,251</b>	
		<b>7,630,290</b>		<b>8,190,857</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	<b>(7,600,075)</b>		<b>(6,910,664)</b>	
<b>Net current assets</b>			<b>30,215</b>		<b>1,280,193</b>
<b>Total assets less current liabilities</b>			<b>15,648,648</b>		<b>16,061,548</b>
<b>Liabilities</b>					
Creditors: amounts falling due after one year	18		<b>(755,443)</b>		<b>(1,128,173)</b>
<b>Total net assets</b>	20a		<b>14,893,205</b>		<b>14,933,375</b>
<b>The funds of the charity :</b>					
Restricted income funds	21a		<b>9,101,258</b>		<b>9,531,203</b>
Unrestricted funds					
Designated funds			<b>1,580,203</b>		<b>1,515,268</b>
General funds			<b>4,211,744</b>		<b>3,886,903</b>
<b>Total charity funds</b>			<b>14,893,205</b>		<b>14,933,375</b>

Approved by the Management Committee on 29 November 2021 and signed on its behalf by

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Jan Peter Weiland  
Chair

Statement of Cashflows

For the year ended 31 August 2021

	Note	£	2021 £	£	2020 £
<b>Cash flows from operating activities</b>					
Net cash flow provided by operating activities	22.		<b>1,391,983</b>		262,294
<b>Cash flows from investing activities :</b>					
Investment income		<b>2,728</b>		35,316	
Interest paid		<b>(50,328)</b>		(63,660)	
Purchase of tangible fixed assets		<b>(1,634,507)</b>		(3,448,776)	
<b>Net cash flow used in investing activities</b>			<b>(1,682,107)</b>		(3,477,119)
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		<b>(358,850)</b>		(345,659)	
<b>Net cash flow used in financing activities</b>			<b>(358,850)</b>		(345,659)
<b>Change in cash and cash equivalents in the year</b>			<b>(648,974)</b>		(3,560,484)
Cash and cash equivalents at the beginning of the year			<b>8,048,251</b>		11,608,735
<b>Cash and cash equivalents at the end of the year</b>			<b>7,399,277</b>		8,048,251

Analysis of cash and cash equivalents and net debt

	At 01 Sept 2020	Cash Flows	Other Non-cash charges	At 31 Aug 2021
<b>Loans falling due</b>				
• Within one year	(358,915)	358,850	(372,794)	<b>(372,859)</b>
• After more than one year	(1,128,173)	-	372,794	<b>(755,379)</b>
	<u>(1,487,088)</u>	<u>358,850</u>	<u>-</u>	<u><b>(1,128,238)</b></u>
Cash at bank and in hand	<u>8,048,251</u>	<u>(648,974)</u>	<u>-</u>	<u><b>7,399,277</b></u>
Total	<u>6,561,163</u>	<u>(290,123)</u>	<u>-</u>	<u><b>6,271,039</b></u>

Notes to the financial statements

For the year ended 31 August 2021

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**1. Accounting policies**

**a) Statutory information**

German School Association Limited is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Douglas House , Petersham Road, Richmond , Surrey , TW10 7AH.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The Management Committee consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Management Committee do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1. Accounting policies**

**f) Donations of gifts, services and facilities (continued)**

The Association is provided with a number of teachers free of charge by the German Government. An estimate of the cost of such teaching staff is included in expenditure and shown as a corresponding grant in income.

The land and buildings at Petersham are occupied rent free by the School under the terms of an agreement with the German Government which owns the land and buildings. The rental valuation of these premises is shown in expenditure and as a corresponding grant in income.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering core educational services undertaken to further the purposes of the charity and their associated support costs
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.
- Foreign exchange losses are charged based on changes in the value of foreign currency against the functional currency of the financial statements

**j) Allocation of support costs**

Governance and support costs have both been duly allocated to educational costs, as this is the sole charitable activity. These costs are shown in more detail in notes 7 and 8.

**k) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**1. Accounting policies**

**l) Tangible fixed assets**

The land and buildings at Petersham are occupied rent free by the School under the terms of an agreement with the German Government which owns the land and buildings. The German School Association Limited is unable to sell the land and buildings. Significant expenditure on assets held for charitable use, including land and buildings are capitalised, notwithstanding the agreement relating to the School's occupation of the land and buildings is cancellable at six months' notice by either party. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Building improvements costing more than £5,000, furniture and fittings costing more than £1,500 and computer equipment costing more than £1,000 are capitalised and carried in the balance sheet at historical cost.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. The depreciation rates and useful lives are as follows:

●	Leasehold Property	
	New buildings and related costs	Over the life of the waiver (30 years from 1st September 2013 )
	Refurbishment of existing buildings	15 years
●	Furniture and equipment	3-10 years
●	Computer equipment	3 years

Assets in progress are in the course of construction and are not depreciated.

**m) Debtors**

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

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**o) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**p) Pensions**

The German School Association contributes to Employee Personal Pension Plans with the costs recognised in expenditure on a month-by-month basis.

**q) Foreign currencies**

Assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date and the gains or losses on transactions in the year are included in the income and expenditure account. Transactions during the year are converted at the rate of exchange ruling at the dates of the transactions.



## Notes to the financial statements

For the year ended 31 August 2021

2. Income from Grants and Donations	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Grants receivable from Central Office for Schools Abroad (ZfA)	-	418,468	<b>418,468</b>	-	420,340	420,340
Provision of premises by German Government*	-	700,000	<b>700,000</b>	-	700,000	700,000
Cost of teachers provided by German Governments	-	1,473,567	<b>1,473,567</b>	-	1,532,690	1,532,690
German Government refurbishment grant monies	-	-	-	134,538	-	134,538
German Government Covid monies	-	537,187	<b>537,187</b>	-	-	-
Provision for repayment of Government Covid monies	-	(244,736)	<b>(244,736)</b>	-	-	-
HMRC (Job Retention scheme)	-	-	-	-	48,178	48,178
Donations from Friends of Douglas House	-	39,042	<b>39,042</b>	-	18,598	18,598
Swiss Parents Association	30,717	-	<b>30,717</b>	32,319	-	32,319
Other donations	-	16,728	<b>16,728</b>	-	6,054	6,054
<b>Total Income from grants and donations</b>	<b>30,717</b>	<b>2,940,256</b>	<b>2,970,973</b>	<b>166,857</b>	<b>2,725,860</b>	<b>2,892,716</b>

\*The provision of premises by German Government is a valuation of estimated annual rental cost of the donated land used by the German School.

3. Income from charitable activities	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Gross school fees	-	6,996,950	<b>6,996,950</b>	7,019,957
Less: bursaries, scholarships and allowances	-	(519,620)	<b>(519,620)</b>	(528,089)
<b>Total Income from charitable activities</b>	<b>-</b>	<b>6,477,330</b>	<b>6,477,330</b>	<b>6,491,867</b>

All income from charitable activities in the prior year was unrestricted.

4. Income from other educational activities	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Rental income	-	12,416	<b>12,416</b>	22,120
School magazine and year book	-	3,020	<b>3,020</b>	7,838
Membership subscriptions	-	1,475	<b>1,475</b>	2,150
Registration fees	-	72,547	<b>72,547</b>	77,716
Infrastructure levy (School Development)	-	145,500	<b>145,500</b>	148,995
Provision of school bus	-	74,520	<b>74,520</b>	89,168
Sale of school books	-	103,577	<b>103,577</b>	20,366
School cafeteria	-	155,304	<b>155,304</b>	158,212
School trips and other activities	-	446,253	<b>446,253</b>	355,419
<b>Total Income from other educational activities</b>	<b>-</b>	<b>1,014,612</b>	<b>1,014,612</b>	<b>881,985</b>

All income from other educational activities in the prior year was unrestricted.

5. Income from investments	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Overnight deposit income	-	2,728	<b>2,728</b>	-	35,316	35,316
<b>Total Income from investments</b>	<b>-</b>	<b>2,728</b>	<b>2,728</b>	<b>-</b>	<b>35,316</b>	<b>35,316</b>

6. Foreign exchange transactions	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Year end loss on € current accounts	-	11,915	<b>11,915</b>	-	23,884	23,884
<b>Total Foreign exchange loss</b>	<b>-</b>	<b>11,915</b>	<b>11,915</b>	<b>-</b>	<b>23,884</b>	<b>23,884</b>

## Notes to the financial statements

For the year ended 31 August 2021

**7a Analysis of Expenditure (current year)**

	Educational costs £	Governance Costs £	Support Costs £	<b>2021 Total £</b>	2020 Total £
Staff costs (See Note 10)	5,225,588	8,691	1,241,325	<b>6,475,604</b>	6,519,947
Direct educational costs	128,552	-	-	<b>128,552</b>	159,443
Governance costs (See Note 8)	-	31,327	-	<b>31,327</b>	45,712
Support costs (See Note 8)	-	-	3,858,415	<b>3,858,415</b>	3,393,882
<b>Total expenditure 2021</b>	<b>5,354,140</b>	<b>40,018</b>	<b>5,099,740</b>	<b>10,493,898</b>	
Total expenditure 2020	5,794,470	54,040	4,270,474		10,118,984

**7b Analysis of Expenditure (prior year)**

	Educational costs £	Governance Costs £	Support Costs £	<b>2020 Total £</b>
Staff costs (See Note 10)	5,635,028	8,328	876,592	<b>6,519,947</b>
Direct educational costs	159,443	-	-	<b>159,443</b>
Governance costs (See Note 8)	-	45,712	-	<b>45,712</b>
Support costs (See Note 8)	-	-	3,393,882	<b>3,393,882</b>
<b>Total expenditure 2019</b>	<b>5,794,470</b>	<b>54,040</b>	<b>4,270,474</b>	<b>10,118,984</b>

## Notes to the financial statements

For the year ended 31 August 2021

## 8. Analysis of Support &amp; Governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

The basis of apportionment of supports costs to the governance function is activity based.

	Governance costs £	Support costs £	2021 Total £	2020 Total £
Ancillary support	-	621,490	621,490	566,783
Maintenance and utilities	-	2,015,885	2,015,885	1,883,458
Insurances	-	59,207	59,207	69,327
Motor and travelling expenses	-	-	-	2,222
Telephone, postage, print and internet	-	47,872	47,872	25,689
Copier costs	-	46,445	46,445	72,544
Professional and consultancy fees	5,351	7,751	13,101	9,830
Staff recruitment, training and welfare	-	66,752	66,752	20,400
Bank charges and interest	-	59,710	59,710	74,106
Entertainment costs	-	5,040	5,040	11,788
Audit fees & other services	16,100	3,360	19,460	15,400
Solicitors costs	4,634	-	4,634	18,391
SEN / Psychologist	-	10,767	10,767	4,036
Community service	-	14,941	14,941	17,257
Other general administration	5,242	101,767	107,009	48,727
Depreciation	-	797,428	797,428	599,636
Support costs	-	3,858,415	-	-
Governance costs	31,327	-	-	-
Total	31,327	3,858,415	3,889,742	3,439,594

## 9. Net income / (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	797,428	599,636
Interest payable	50,328	63,660
Operating lease rentals:		
▪ other	27,531	35,483
Auditor's remuneration:		
▪ audit	11,700	11,500
▪ other services	3,360	3,900
Management Committee members' expenses	-	-

Notes to the financial statements

For the year ended 31 August 2021

10. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	4,178,912	4,158,793
Social security costs	401,568	393,796
Employer's contribution to pension schemes	421,558	434,668
Cost of 12 teachers provided by the German Government (2019: 12)	1,473,567	1,532,690
	<b>6,475,604</b>	<b>6,519,947</b>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

£60,000 - £69,999	2	4
£70,000 - £79,999	1	
£80,000 - £89,999	10	10
£90,000 - £99,999	2	2
£100,000 - £109,999	1	1

The total employee benefits including pension contributions and employer national insurance of key management personnel were £845,489 (2020: £827,764)

The Management Committee members were not paid or received any other benefits from employment with the charity in the year (2020 :£nil). No Management Committee member received payment for professional or other services supplied to the charity (2020: £nil).

There were no expenses reimbursed for management committee members last year (2020: £nil) .

11. The full-time equivalent number of employees during the year was as follows:

	2021 No.	2020 No.
Teaching (including seconded teachers)	78.3	79.8
Administration	15.4	15.0
Support	14.5	13.9
Caretakers and gardeners	2.0	2.0
	<b>110.2</b>	<b>110.7</b>

The average weekly number of employees including volunteers and interns on a headcount basis was 158 (2020: 164)

12. Related party transactions

Some Management Committee members of the school are parents of children attending the school. The places are funded in the same way as all the other places at the school and the children receive the same service and benefits as other children.

Aggregate donations from related parties were **£Nil** (2020: £Nil)

13. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## Notes to the financial statements

For the year ended 31 August 2021

**14. Tangible fixed assets**

	Leasehold Property £	Assets in Progress £	Furniture and Equipment £	Computer Equipment £	Total £
Cost					
At the start of the year	14,823,566	3,851,088	549,000	51,597	19,275,250
Additions in year	52,920	1,557,505	24,082	-	1,634,507
Transfers in / (out) during year	5,199,553	(5,199,553)	-	-	-
At the end of the year	<b>20,076,039</b>	<b>209,039</b>	<b>573,082</b>	<b>51,597</b>	<b>20,909,757</b>
Depreciation					
At the start of the year	3,938,008	-	512,103	43,785	4,493,896
Charge for the year	762,683	-	29,181	5,565	797,428
At the end of the year	<b>4,700,691</b>	<b>-</b>	<b>541,284</b>	<b>49,350</b>	<b>5,291,324</b>
Net book value					
At the end of the year	<b>15,375,348</b>	<b>209,039</b>	<b>31,798</b>	<b>2,247</b>	<b>15,618,433</b>
At the start of the year	10,885,558	3,851,088	36,897	7,812	14,781,355

**15. Debtors**

	2021 £	2020 £
Pupils' accounts: fees, extras and recharges	12,375	990
Prepayments	144,792	66,882
German Government Grant due	68,070	71,070
	<b>225,237</b>	<b>138,942</b>

**16. Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	171,036	228,142
Fees received in advance (note 17)	3,146,233	2,847,969
Security deposits	2,904,500	3,011,500
Social security and other taxes	98,675	-
Accruals	705,938	281,220
Other creditors	200,900	182,917
Loan due within one year	372,794	358,915
	<b>7,600,075</b>	<b>6,910,664</b>

**17. Deferred income**

Deferred income comprises of fees which are received in advance for the next academic year.

	2021 £	2020 £
Balance at the beginning of the year	2,847,969	3,083,070
Amount released to income in the year	(2,847,969)	(3,083,070)
Amount deferred in the year	3,146,233	2,847,969
Balance at the end of the year	<b>3,146,233</b>	<b>2,847,969</b>

## Notes to the financial statements

For the year ended 31 August 2021

## 18. Creditors: amounts falling due after one year

	2021 £	2020 £
Bank Loan	<u>755,443</u>	<u>1,128,173</u>
	<u><b>755,443</b></u>	<u><b>1,128,173</b></u>

The loan shown above, provided by HSBC is unsecured and repayable in full by July 2024. Payments are made in instalments and interest is charged at a fixed rate of 3.8% per annum.

## 19. Pension scheme

The German School Association currently contributes to personal pension plans. The assets of the scheme are in a fund independent from those of the charitable company.

## 20a Analysis of net assets between funds (current year)

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	9,101,258	1,580,202	4,936,972	<b>15,618,432</b>
Current assets	-	-	7,630,290	<b>7,630,290</b>
Current liabilities	-	-	(7,600,075)	<b>(7,600,075)</b>
Long term liabilities	-	-	(755,443)	<b>(755,443)</b>
Net assets at the end of the year	<u>9,101,258</u>	<u>1,580,202</u>	<u>4,211,744</u>	<u><b>14,893,204</b></u>

## 20b Analysis of net assets between funds (prior year)

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	9,531,203	1,515,268	3,734,884	<b>14,781,355</b>
Current assets	-	-	8,190,857	<b>8,190,857</b>
Current liabilities	-	-	(6,910,664)	<b>(6,910,664)</b>
Long term liabilities	-	-	(1,128,173)	<b>(1,128,173)</b>
Net assets at the end of the year	<u>9,531,203</u>	<u>1,515,268</u>	<u>3,886,904</u>	<u><b>14,933,375</b></u>

## Notes to the financial statements

For the year ended 31 August 2021

## 21a. Movements in funds (current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers	At the end of the year £
<b>Restricted funds</b>					
Swiss Parents Association	-	30,717	(30,717)	-	-
German Government Grant	9,484,686	-	(429,945)	-	<b>9,054,741</b>
Net foreign exchange gains / (losses)	46,517	-	-	-	<b>46,517</b>
<b>Total restricted funds</b>	<b>9,531,203</b>	<b>30,717</b>	<b>(460,662)</b>	-	<b>9,101,258</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Capital Project Fund	-	145,500	-	(145,500)	-
Main Building Renovation/Extension	839,895	-	(56,937)	145,500	<b>928,458</b>
Sports hall asset fund	675,373	-	(23,629)	-	<b>651,744</b>
<i>Total designated funds</i>	<i>1,515,268</i>	<i>145,500</i>	<i>(80,566)</i>	<i>-</i>	<i><b>1,580,203</b></i>
<b>General funds</b>	<b>3,886,903</b>	<b>10,289,426</b>	<b>(9,964,586)</b>	-	<b>4,211,744</b>
<b>Total unrestricted funds</b>	<b>5,402,172</b>	<b>10,434,926</b>	<b>(10,045,151)</b>	-	<b>5,791,947</b>
<b>Total funds</b>	<b>14,933,375</b>	<b>10,465,643</b>	<b>(10,505,813)</b>	-	<b>14,893,205</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 21a. Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers	At the end of the year £
<b>Restricted funds</b>					
Swiss Parents Association	-	32,319	(32,319)	-	-
German Government Grant	9,686,884	134,538	(336,736)	-	<b>9,484,686</b>
Net foreign exchange gains / (losses)	46,517	-	-	-	<b>46,517</b>
<b>Total restricted funds</b>	<b>9,733,401</b>	<b>166,857</b>	<b>(369,055)</b>	-	<b>9,531,203</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Capital Project Fund	232,582	205,000	-	(437,582)	-
Main Building Renovation/Extension	402,313	-	-	437,582	<b>839,895</b>
Sports hall asset fund	699,002	-	(23,629)	-	<b>675,373</b>
<i>Total designated funds</i>	<i>1,333,897</i>	<i>205,000</i>	<i>(23,629)</i>	<i>-</i>	<i><b>1,515,268</b></i>
<b>General funds</b>	<b>3,707,059</b>	<b>9,930,029</b>	<b>(9,750,185)</b>	-	<b>3,886,903</b>
<b>Total unrestricted funds</b>	<b>5,040,956</b>	<b>10,135,029</b>	<b>(9,773,814)</b>	-	<b>5,402,171</b>
<b>Total funds</b>	<b>14,774,357</b>	<b>10,301,886</b>	<b>(10,142,869)</b>	-	<b>14,933,374</b>

**Purposes of restricted funds** - As per the listing below.

**Swiss Parents Association** - This relates to funds contributed towards the employment of a Swiss teacher

**German Government Grant** - This relates to the contribution received towards the building of the sports hall and refurbishment of the main building.

**Purposes of designated funds**

**Capital project fund** - this represents money raised through the development levy which it designated towards future capital projects for upkeep and expansion of the school, i.e. the building of the sports hall and the refurbishment of the main building.

**Sports hall asset fund** - this represents the contribution towards the construction of the sports hall from the school's unrestricted funds.

## Notes to the financial statements

For the year ended 31 August 2021

**22. Reconciliation of net incoming resources to net cash flow from operating activities**

	2021 £	2020 £
<b>Net expenditure / (income) for the reporting period (as per the statement of financial activities)</b>	<b>(40,170)</b>	159,019
Investment income	<b>(2,728)</b>	(35,316)
Interest paid	<b>50,328</b>	63,660
Increase/(decrease) in debtors	<b>(86,295)</b>	128,774
Increase/(decrease) in stock	<b>(2,112)</b>	-
Increase/(decrease) in creditors	<b>675,531</b>	(653,479)
Depreciation	<b>797,428</b>	599,423
<b>Net cash provided by operating activities</b>	<b>1,391,983</b>	262,294

**23. Operating lease commitments**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Equipment 2021 £	2020 £
Less than one year	<b>21,040</b>	79,198
1 - 5 years	<b>21,822</b>	878
	<b>42,862</b>	80,076

**24. Capital commitments**

As at the balance sheet date the charity had capital commitments of £Nil (2020: £218,400) relating to the school expansion project.

**25. Legal status of the charity**

The charity is a company limited by guarantee, incorporated in England and Wales, and has no share capital. The liability of each member in the event of winding up is limited to £1.